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Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we thank You for this moment of quiet in which we can reaffirm who we are, whose we are and why we are here. Once again we commit ourselves to You as Sovereign Lord of our lives and our Nation. Our ultimate goal is to please and serve You. You have called us to be servant-leaders who glorify You in seeking to know and to do Your will in the unfolding of Your vision for America.

We spread out before you the specific decisions that must be made today. We claim Your presence all through the day. Guide our thinking and our speaking. May our convictions be based on undeniable truth which has been refined by You.

Bless the women and men of this Senate as they work together to find the best solutions to the problem before our Nation. Help them to draw on the supernatural resources of Your spirit. Give them divine wisdom, penetrating discernment, and indomitable courage.

When the day draws to a close may our deepest joy be that we received Your best for us and worked together for what is best for our Nation. In the name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator COCHRAN of Mississippi, is recognized.

SCHEDULE

Mr. COCHRAN. Mr. President, this morning the Senate will resume consideration of S. 936, the defense authorization bill, and begin 90 minutes of debate on the Grams second-degree amendment to the Cochran amendment regarding supercomputer export controls. At approximately 11 a.m. the Senate will vote on or in relation to the Grams amendment, to be followed by a vote on or in relation to the Cochran amendment. Following that, the Senate will continue consideration of amendments to the defense authorization bill with rollcall votes occurring throughout the day.

As the majority leader announced last night, the scheduled cloture vote will be postponed temporarily today, and an assessment will be made later today of the progress being made on the defense bill. With the cooperation of all Members, that cloture vote may not be necessary if good progress is made on the bill.

It is the intention of the majority leader that action on the defense authorization bill be completed this week. Senators should anticipate a busy session today that will extend into the evening. Work is anticipated as well on Friday, if necessary, to finish this important legislation. That announcement is made by me at the request of the majority leader for the information of all Senators.

Mr. President, as contained in this announcement, there is now 90 minutes that is available on the Grams amendment. If the Chair wants to make the announcement, I will yield the floor temporarily for that.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. BROWNBACK). Under the previous order, the leadership time is reserved.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 936, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 936) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Cochran/Durbin amendment No. 420, to require a license to export computers with composite theoretical performance equal to or greater than 2,000 million theoretical operations per second.

Grams amendment No. 422 (to amendment No. 420), to require the Comptroller General of the United States to conduct a study on the availability and potential risks relating to the sale of certain computers.

Coverdell (for Inhofe/Coverdell/Cleland) amendment No. 423, to define depot-level maintenance and repair, to limit contracting for depot-level maintenance and repair at installations approved for closure or realignment in 1995, and to modify authorities and requirements relating to the performance of core logistics functions.

Wellstone amendment No. 669, to provide funds for the bioassay testing of veterans exposed to ionizing radiation during military service.

Wellstone modified amendment No. 668, to require the Secretary of Defense to transfer $400,000,000 to the Secretary of Veterans Affairs to provide funds for veterans' health care and other purposes.

Wellstone modified amendment No. 666, to provide for the transfer of funds for Federal Pell Grants.

Murkowski modified amendment No. 753, to require the Secretary of Defense to submit a report to Congress on the options available to the Department of Defense for the disposal of chemical weapons and agents.

Kyl modified amendment No. 607, to impose a limitation on the use of Cooperative Threat Reduction funds for destruction of chemical weapons.

Kyl amendment No. 605, to advise the President and Congress regarding the safety, security, and reliability of United States Nuclear weapons stockpile.

Dodd amendment No. 762, to establish a plan to provide appropriate health care to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Persian Gulf veterans who suffer from a Gulf War illness.

Dodd amendment No. 763, to express the sense of the Congress in gratitude to Governor Chris Patten for his efforts to develop democracy in Hong Kong.

Reid amendment No. 772, to authorize the Secretary of Defense to make available $2,000,000 for the development and deployment of counter-landmine technologies.

Levin amendment No. 778, to revise the requirements for procurement of products of Federal Prison Industries to meet needs of Federal agencies.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The able Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I just want to tell the Senators that we are going to finish this bill this week. If they want their amendments adopted, they better come in and have them considered and debated and acted on. We do not want any further delays. And we want to get time agreements, too. No use to spend hours and hours on one amendment. We ought to get a very limited time on each amendment so we can finish this bill. That is very important. I want Senators to know that we expect to proceed along that line.

AMENDMENT NO. 422

The PRESIDING OFFICER. The Senate will now resume consideration of Grams amendment No. 422 on which there shall be 90 minutes for debate equally divided.

Who yields time?

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Who controls time under the order?

The PRESIDING OFFICER. The Senator from Mississippi controls 45 minutes and the Senator from Minnesota controls 45 minutes.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, to refresh the memory of Senators about this amendment that is now the pending business, at an early stage in the consideration of this authorization bill I offered an amendment for myself and on behalf of the distinguished Senator from Illinois [Mr. DURBIN] to modify the administration's existing policy relating to the export by U.S. companies of supercomputers in the global marketplace.

The reason this amendment was considered important for the consideration of the Senate on this bill is that it, first of all, involves exporting technology that no other country in the world has. Unlike many of our arms sales, defense equipment or technology sales around the world, whether to friendly allies or those who may not be so friendly, computer technology has evolved here in the United States to the point that we have the corner on the market. No one can compete with us in many areas of supercomputer technology. The Japanese have developed an impressive capacity in this area as well.

But one thing has come to our attention in the subcommittee that I chair on Governmental Affairs, the Subcommittee on International Security, Proliferation and Federal Services. We have had a series of hearings that began the first month of this year. We have had at least one hearing every month. And we have explored one aspect of weapons proliferation.

It was at a hearing that we had recently on the exporting of technology that we learned that the United States was a proliferator of weapons technology that was threatening the security of the United States, and putting at risk United States servicemen, servicewomen, other interests, and other assets and interests throughout the world, because we were giving countries like Russia and China and others the capacity to improve the lethality, the accuracy, and the capabilities of nuclear weapons systems through the exporting of technology that they were using to simulate tests, which they would not otherwise be able to do, and to upgrade the quality and accuracy of their missile delivery systems and weapons systems.

This does not make good sense. Japan's export control policy is more restrictive than our policy. The President came into office after a campaign which involved a lot of discussion about changes in the world security situation. We all rejoiced in the past two administrations when so much progress was made in terms of reducing the threat to the security of the United States because of the changes going on in the Soviet Union and Eastern Europe.

The fact is, that we were able to relax somewhat when those weapons systems were no longer targeted at us. But the fact remains that there is a tremendous potential threat, not only in Russia but some of the other states of the former Soviet Union for the development at some future date of an attitude that may put our security relationship at greater risk than it is today. And so we do have an interest in refraining from doing those things ourselves that end up unwittingly or carelessly investing in others the capability to develop modern, more lethal, and more dangerous weapons systems that could threaten our security interests.

One other aspect of this is that part of our hearings have been involving the sale of weapons systems by countries like Russia and China. We had a whole series of witnesses come before our committee talking about this as a problem now, selling missiles, for example, to Iran, selling nuclear weapons technology to countries like India and Pakistan and others.

But we see emerging around the world a new capacity on the part of many of these countries that we do not trust at all to have those kinds of systems that can inflict great damage, destroy assets that we have, and people, troops that we have in the Middle East or in South Korea, sailors who are on ships around the world who are now vulnerable to cruise missiles in the Mediterranean that we never had to worry about before because of this proliferation of missiles and technologies and weapons systems.

So that is the big issue here. So that is why we have suggested that the administration's new policy—when they came into office they said we are going to open up and take the controls off of our exports so we can take advantage of the new security situation around the world, let our businesses enjoy a more relaxed atmosphere. That is all fine. But what we have learned in the last 18 months of this new policy—it was put into place in October 1995—the new policy has resulted in supercomputers coming into the possession of the Chinese Academy of Sciences which has a component that is involved in the modernization of the Chinese nuclear weapons program and systems. They now have seven supercomputers that came from the United States that they are using, they potentially are using, to develop a more modern weapons capability in nuclear weapons.

The Russian chief of atomic energy boasted recently that his operation, the group of people he has under his control in his laboratories—Chelyabinsk 20 and Arzamas 16—these are locations where they do work on nuclear weapons systems in Russia that they now have a supercomputer capability previously unknown, compliments of the United States.

This is a sad state of affairs because of a policy that is much more relaxed now. And I want to describe the details of it. That is why we have these 90 minutes reserved here so Senators will understand how serious a threat this is and what it means in practical terms.

We have seen the administration develop this new policy that identifies countries in categories. They call it a four-tier system.

Tier 1 countries are our best friends, NATO Allies. There are no restrictions. Tier 2 are those countries where it is more lenient still. Tier 3 and Tier 4. Tier 4, there is a complete embargo on the exporting of computer technology of all capability. You cannot sell computers under our new system to these Tier 4 countries. They are Iran, Libya, North Korea, Cuba, a couple of others.

Tier 3 are those countries where, depending upon the capability of the computer, there are restrictions. There are no restrictions for the PCs, the personal computers, no restrictions. But when you get up into these high-end computer systems there are restrictions, you have to get an export license from the Department of Commerce. And the way you decide whether you need a license or not is to decide if the end use of the computer is going to be for a military purpose or a civilian purpose or if the user is a military entity or a civilian entity.

The problem with the administration's policy is the Commerce Department does not tell our exporters whether the end use or the user is military or civilian. They leave it up to our exporter to find that out for themselves. That is the problem. That is what this amendment is about. We are trying to change one part of this policy to require the Federal Government to approve the sale—in the case of these countries in Tier 3, China, Russia, and a number of others—where the potential for use of this technology for military purposes has become so apparent and real.

Now, I am not suggesting that our computer companies are carelessly and negligently and wholesale selling these high-end computers, these advanced computers, without careful analysis of who their customers are. Some of them are making a very conscientious effort to ensure that. But what they cannot do and they do not have the capacity to decide, that in the reality of this new situation there are front companies being developed—in the case of China, for example, in Hong Kong and maybe other places, as well, and I cannot discuss all of this because some of it is classified—but there are companies that have been established, whether by governments or government-related industries, who are able now to purchase U.S. computers because they are a civilian company, and then turn around and sell it to a company that is affiliated with one of these governments. That is what has happened, apparently.

So do we want to continue to leave to the capabilities of a computer exporter the responsibility of making these determinations, by understanding what is a front company and what is not? They do not have the resource to do that. Our intelligence community, however, and the resources of our Federal Government are much more nearly able to make this kind of determination.

Under Secretary Reinsch at Commerce talked about this policy at hearings in our committee, and you could tell that Commerce realized that changes had to be made in the way they were monitoring and supervising and implementing this new policy. After our hearing, they started making changes. They started putting out a list, for example, of entities around the world that they think are suspicious enough or they have evidence enough so they can say you cannot tell this entity or that entity in these Tier 3 countries because we know that puts at risk the potential use of this technology for nuclear weapons purpose or other weapons of mass destruction purpose. So they are making some changes. The fact is they left a lot of things off the list, they left a lot of entities off the list that we know in the past have purchased or wound up having these technologies.

So it creates a situation where a change needs to be made right now. This is the change that we think is best. We are pleased to have the cosponsorship on this amendment of distinguished leaders in the area of proliferation here in the Senate. Senator THURMOND, who is chairman of the Armed Services Committee, supports our amendment. Senator WARNER supports our amendment. Senator GLENN, who has previously served as chairman of this proliferation subcommittee and chairman of the full Committee on Governmental Affairs, and been a leader in this effort his entire career in the Senate, and he announced yesterday—and put a statement in the RECORD, which we invite Senators to look at—that he is supporting this amendment. Senator DURBIN of Illinois was in the hearing and has taken an active role in trying to understand and deal with this emerging problem. It has emerged full-blown into one of the most serious threats to our Nation's security, and it has been done because of the way this policy has played out and the way the problem has increased. So we think that Senators ought to look carefully at this.

Let me just say this chart tries to explain how a small area of the computer industry and the hardware that are involved are affected by this amendment. The diagonal lines here that say Chelyabinsk-70 and Arzamas-16 are nuclear weapon labs in the Soviet Union, and the Chinese Academy of Sciences that we know wound up with United States computers that can be used now throughout China for the purpose of developing new modern weapons of mass destruction. This represents numbers of total computers, 6.34 percent of the total U.S. computer export markets affected, and targeted only those computers going to those Tier 3 countries with lethality or capability of 2,000 MTOPS to 7,000 MTOPS. These are millions of theoretical operations per second. That is how you measure the capability or speed of computation of computers. That is the way the Commerce Department has broken this down and divided up these up so that they reflect the capabilities of these computers. A PC has a capability of 250 MTOPS. We are talking about advanced computers, very expensive, and, of course, the computer industry is competing with each other to make these sales.

This is another point: If you were running a big computer company—IBM, Cray computer, whatever the names are—you do not want to have to go to the Secretary of Commerce and tell them you are thinking about making a sale or you have a customer on your screen that you think you can sell a big, heavy-duty, new, modern, expensive computer to, you do not want to tell anybody about it. If you are a salesman, you do not want that word out on the street. You do not want somebody at Commerce looking into it and asking a bunch of questions of you. You would like to go in and make the sale. If the customer is ready to buy your computer, you want to go in, sign the deal, and make the sale. Of course, you have a responsibility under the new policy to satisfy yourself about who the end user is, what the end-use purpose is, and so you hurry to get that done. No matter how conscientious you are, you might not do as good a job with that, particularly if you have a competitor who is trying to make the same sale.

So we are in a situation where the competition of the U.S. market and economic system is working against our interests in protecting our national security and maybe taking a little bit more time and understanding what the potential is for this sale in terms of coming back at us in a new, advanced missile that has capabilities never before possible because of U.S. computer manufacturers selling in these markets to the countries that have the money to buy them. You are talking about the big countries. I am particularly concerned about Russia and China, specifically. We are developing, we hope, better relationships with both countries. We are working to improve our relationships around the world, make this a more stable, safer, peaceful world. That effort has to continue.

What we are doing today, in calling it to the attention of the Senate today, is not at all designed to sour or make that process more difficult, but we have to recognize that this is still a dangerous relationship in many respects. These are the countries that have the greatest capability in the world today, and past attitudes among some in those countries that do not have our interests at heart, do not have our security uppermost in their mind, who may be capable of diverting some of these technologies for uses such as the development of new generations of weapons of mass destruction which not only they but some of their friends end up with in the due course of business.

I have gotten calls and we have had visits from some in the computer industry saying this amendment is not necessary; it is not necessary to put this in the law. Why don't we just change the policy? Well, we can't change the policy. We are the Congress. The executive branch makes policies. They issue regulations.

One of the Senators asked me in a formal colloquy yesterday why we needed to put this in a bill. Well, it is the only way that Congress has available to it to participate in the policy-making process in helping to do our part to ensure that our Nation's security is protected. We cannot issue a regulation, we cannot modify a policy other than doing it the way we are doing it right now.

Now, the Senator from Minnesota, who is my good friend, has an alternative. He wants to do things other than change the policy. He wants to ask GAO to investigate it. We are already having GAO investigate this and gather more information. We are continuing to discuss with GAO other areas where we might get information

that will be more helpful to the Congress in understanding what our options are. He suggests that Commerce ought to publish a list of prohibited purchasers. That list is good for as long as the ink is drying, but no further. What if a change occurs and they have not gotten a new list out with modifications, and you see nobody is on the list with the name of a company that you have been contacted by and you make the sale or you try to make the sale, and you decide this is a civilian company. There was nobody in uniform who came to see you, so your assumption is that it is a civilian. Well, the names change, these identities change, the purposes of companies change, the contacts and relationships of companies, particularly in this part of the world we are talking about, can change.

So you are going to invite them to start changing things. If they see they are on the list, they will probably dissolve their corporation if their purpose was to be a front for the People's Liberation Army, and some of these companies are. How is an innocent U.S. exporter to know? You cannot have all these agents and assets to detect this kind of thing on the payroll of the company. But the U.S. Government has resources, and they have a better opportunity to make these determinations.

What we are simply saying is—not as the Senator from Minnesota wants us to do, which is nothing. His amendment just absolutely guts the effort to change the policy. It says there will be no change in policy as we are suggesting here. There will be no change. We will leave it up to the Commerce Department to improve its policy by making a list, and we will ask the GAO to look into this more. That is not good enough. I am hoping the Senate will vote down the Grams amendment and support the Cochran-Durbin amendment.

The cosponsors, I hope Senators will consider, who are on this bill right now, and I do not have a last count, but we are well into the double digits. Around 20 Senators have cosponsored this amendment. It is a strong statement of support for change that is needed now to protect our Nation's security. If we fool around and argue about this and are mealymouthed and don't want to hurt anybody's feelings or scare any of the computer companies, they don't want to get Congress to agree on any sale and they want to use their best efforts—I am not suggesting they don't, but they don't have the capacity, they don't have the expertise, they don't have the reach, the broad reach of the U.S. Government and its intelligence community to make these determinations.

So for these few computers with MTOPS between 2,000 and 7,000, for these few countries in tier 3, we are suggesting that any sale has to be first approved by the Commerce Department to ensure that the end use is civilian and that the end user is civilian and not military. That is all this is. Every other computer sale and administration policy can continue without any new restraint whatever.

I am hopeful the Senate will review this situation carefully, Mr. President.

I reserve the balance of my time.

Mr. GRAMS. Mr. President, I rise to continue the debate this morning on the Grams-Boxer amendment to the Cochran-Durbin amendment. I urge my colleagues today to support what I believe is a very reasonable compromise to a very controversial issue.

Mr. President, I ask unanimous consent that Senators D'AMATO, BOND, GREGG, and FEINSTEIN be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I understand that there is a lot of concern in this body about United States computer sales being diverted for military use to either China or Russia. None of us wants that to occur. But we have to consider whether the Cochran amendment solves the problem. I believe that it does not.

The Cochran amendment would require export licenses for all midlevel computers. Now, these are not supercomputers, these are not high-end computers. You are going to hear that term, but they are not supercomputers. These are midlevel computers, and they are shipped to China, Russia, Israel, and 47 other countries. We talk about the Third Tier countries. They involve 51 nations, like Russia, China, India, Pakistan, Saudi Arabia, Israel, Romania, and the Baltic States. Some of our future NATO Allies could also be involved. Mr. President, export licenses do not solve end-user problems. These are diversions that would not have been caught during the export license procedure. Export licenses do require end-user certification, but if the end user chooses to ignore the agreement, or if the computer is stolen, that possibility will not be evident in the licensing process. In my judgment, the current system works.

Just yesterday, Secretary of Defense Bill Cohen sent us a letter opposing the Cochran amendment. He said the current law and system can deal with unauthorized exports and diversions. This is from the department that has been very conservative on all export decontrol matters. Secretary Cohen further states that we should focus our controls on technology that can make a national security difference, not that which is widely available around the world and is obsolete.

Yes, Mr. President, there have been three diversions, but that was out of 1,400 sales. But, no, this is not the right way to address those problems. The right way is to force the administration to publish as many military end users as possible and then to work with the industry to identify all military end users. We have been able to identify diversions through our capable intelligence sources. Mr. President, there is no evidence that there are dozens of computers out there used by military end users. It is just not there.

Further, I don't believe that the industry irresponsibly ignores available information about military end users. They have too much at stake. A company which violates export control laws takes a very big risk. The penalties are prohibition of all exports for 20 years or more, 10 years in prison, and up to a $5,000 fine for each violation. This doesn't include the blemish that would remain on the company's reputation or the great difficulty that company would have in the future seeking an export license. No company, Mr. President, can afford that risk.

What we would be doing here this morning is handing this midlevel computer business over to the Japanese and other allies. Now, again, I want to emphasize that these are midlevel computers, they are not supercomputers. Next year, they will be the kind of systems that we will be able to have in our offices here in the Senate, or what you could find in a small company or in a doctor's office. These are not the computers that are sought after for nuclear weapons production or design. Again, we are looking at midlevel computers, between 2,000 and 7,000 MTOPS, which are widely available around the world.

Supercomputers, which are sought after for weapons design, start at the 20,000 MTOPS level and go all the way up to 650,000 this year, and they will go beyond the 1 million MTOPS level next year. By the way, China already produces a computer at 13,000 MTOPS. No other country considers these computers to be anything but generally available and will step in to take over the business that the Cochran amendment will hand to them. The question is, is that what we want?

Also, anyone can purchase upgrades, by the way, to raise a PC, a current PC, above the 2,000 MTOPS level. We can't control the box. We can't control the chips around the world that can be put in it. We can't control the upgrades. There is no way to control these low-level PC's under the 2,000 MTOPS threshold, again, since they are available in nearly every country in the world.

Further, the chips that make up these computers are also available and produced around the world. They were decontrolled during the Bush administration. Our chip producers have markets throughout the world, and they need to maintain them to remain competitive. Chip producers cannot control who receives their end product.

Also, how do you prohibit a foreign national from using a computer even above the 7,000 level here in the United States and taking the results back, or faxing it back?

Our friend Jack Kemp has written to us also this week stating that the Cochran amendment would ''establish a policy that is destined to fail and

would hurt American computer manufacturers without protecting our national security. The American high-technology sector is critical to the future of this country and must be protected from overly intrusive Government restrictions.''

I wish there was something we could do to effectively control some of these exports, but it is just not possible at these lower levels. We cannot convince our allies to reverse 2 years of their own decontrol. In fact, Europe has tabled a decontrol proposal at 10,000 MTOPS, which proves that they have no intention of even respecting our 7,000 level. We cannot pull all the PC's and upgrades off the retail shelves, and we cannot close our borders to prevent all foreign nationals from entering this country and using our computers.

We must concentrate our resources on keeping computers above the 7,000 level from reaching military end users; that's for sure. But I fear that an increased license burden in the administration would steer resources away from efforts to locate diversions and investigate them.

Now, Mr. President, in an earlier statement, I also countered a claim that an export license requirement would not slow down these computer sales. I have heard that someone made the comment that an export license would take 10 days. Well, anyone who knows how the licensing process works knows that it can take many, many months to obtain one. This will only earn our industry a reputation as an unreliable supplier, and it will cost us sales and it will cost us many, many U.S. jobs. The administration admits that a computer license application averages 107 days to reach a decision. I have seen it take far longer. Even 107 days, by the way, is enough to convince the end user to go out and seek a buyer in another country.

Since so many of the Tier 3 countries are emerging markets, we need to be in there early to maintain a foothold for future sales. When we hear about the 6.3 percent of sales to Tier 3 countries, that is misleading. It is in an area where the market is expanding rapidly. If we leave our companies out of those markets, they will not be there to compete in the future. They will not be there to provide sales and jobs for the United States.

Another argument I have heard is that there is no foreign availability over 3,500 MTOPS. Well, last year, NEC of Japan tried to sell a supercomputer to the United States Government at a level between 30,000 and 50,000 MTOPS. They match our speeds all the way to the top.

Mr. President, I believe that all of us are proud of our computer industry, that our industry remains the state of the art in so many areas, particularly in the levels above 7,000. We have made progress to facilitate exports without compromising our national security, progress which began back in the Reagan and Bush administrations, but here is an effort today to reverse all of that progress.

Our industry has to survive on exports, and it has to pursue commercial business with these 50 countries to remain competitive. All computer sales over the 7,000 MTOPS level do require license now. We have not sold any computers above that level. And, again, the 7,000 MTOPS are not supercomputers—they are not—they are midlevel computers. We have not sold any computers above that level to Tier 3 countries; nor do our allies, to my knowledge. However, we should not restrict the sales of these midlevel and, again, generally available computers to commercial end users. We should simply maintain the current licensing requirement for the questionable end users. I firmly believe that there will be improved cooperation between the Government and industry on end-user information, particularly those for Russia and China.

Now, I also commend the Commerce Department for starting to publish information on end users and to examine all sales that are made to the Tier 3 countries within these computer speeds.

The Grams-Boxer amendment requests the GAO to determine whether these sales affect our national security. That is very important. It will look into the issue of foreign availability. It will also require the publication of a military end-user list, and it requires Commerce to improve its assistance to the industry on identifying those military end users.

There will be some that vote today solely to express their dissatisfaction with China's alleged military sales to our adversaries. Let me remind you once again that there is no evidence that U.S. computers were involved in any of those cases. I also urge you to look at the merits of this issue. Pure and simple, the Cochran amendment would hand the sales of midlevel computers over to the Japanese and the Europeans at the expense of an industry that we have sought to protect and to promote and an industry that we are proud of.

As chairman of the International Finance Subcommittee of Banking, the committee that has jurisdiction over this issue, I strongly, this morning, urge my colleagues to vote for my substitute and let us continue this debate in the normal manner, through committee consideration. At the same time, the administration should step up its efforts to express to the Chinese and the Russians our grave concerns regarding efforts to divert commercial sales to military end users without knowledge of the United States seller.

Mr. President, I appreciate the efforts of my colleague from Mississippi to address these diversions. I want to work with him in my role as chairman of the subcommittee of jurisdiction to ensure that the current system does work or on how we can improve it once we have better information regarding the extent of the problem.

I urge the support of my colleagues for the Grams-Boxer substitute as a compromise to this very, very controversial issue. Thank you very much.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN. Mr. President, I am a cosponsor with the Senator from Mississippi, and he has allotted the remaining time to me for this debate.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Thank you, Mr. President. There is a quotation attributed to Vladimir Lenin. I am not sure he said it, but it has been repeated often enough that it is possible he did. It is illustrative of the challenge we face in this debate. It is reported that Lenin said: ''A capitalist will sell you the rope that you use to hang him.''

The suggestion from this founder of communism was that countries like the United States with a passion for capitalism and sales will occasionally get too overheated and end up selling the very product that can be used against him. Lenin's quotation goes back almost 80 years; yet, it is apropos of the debate today in 1997. We are talking about the sale of a supercomputer to a country that can use it against us. How should we take care to prevent that from happening? What safeguards should we establish?

You have read in the newspapers over the last few years the sad commentary of people entrusted at the highest levels of Government in the United States with classified and secret information, with access to technology, who have literally betrayed the United States and have sold that information to one of our adversaries. Ultimately, many of them have been caught and prosecuted and have served time, as they should, for betraying their Nation and giving away something very critical to the defense of this country to one of our adversaries.

At the basis of this debate is this same question: Are we giving away, through sales, a precious resource that can be used against us? Are we handing over a capability to a country that may not have the same interest or the best interest of the United States at heart?

That is why Senator COCHRAN and I have offered this amendment. Let me say at the outset for those who are critical of the amendment, we are not saying that the United States cannot make sales of these supercomputers to any country, Tier 1, 2, or 3; but we are saying, if you are going to sell these supercomputers to one group of countries that we want to take care do not misuse them, then please come to the Government, come to the Department of Commerce and make certain that the party buying the computer in that country, whether it is China, Russia, or another Tier 3 country, is an end user or party that will use it for peaceful purposes.

Is that some outrageous suggestion—that before we sell this great capability, this supercomputer capability, to some entity in China or Russia that we take care not to sell it to the wrong person? I think most Americans would say, ''Why would we have a Government, if you aren't going to do something that basic to protect us?'' Is there reason to be concerned about this?

Think about what we are selling. One supercomputer that was sold to Russia increased their computer capability 10 times. We took our genius, our technology, put it up for sale, and they bought it. And with that purchase they not only bought the technology, they bought a new capability—I am sorry to report capability which can be used for negative reasons, for reasons inconsistent with American policy, and as easily for peaceful reasons.

Some have said, ''Don't do the Cochran-Durbin amendment. It just involves too many sales. It would restrict too many supercomputer sales.''

Senator COCHRAN made this point. When you look at the sales to Tier 3 countries, which are the only countries affected by this amendment, there were 91 sales in the 15 months of new trade policy by the Clinton administration; 6.3 percent of the computers in question are at issue here. Is that too much to ask? That when we start to sell 6.3 percent of our computer sales to certain countries, we say, ''Pause. Hold back. Let's review and make sure that the entity buying them in the other country is a peaceful entity, that in fact it won't be used against the United States.''

We have sold 47 supercomputers to China, another 20 to Hong Kong, and many to Russia as well. What have we learned about these sales?

I am sorry to report that four silicon graphic machines that were sold to Russia are now being used at Russia's nuclear weapons labs; one silicon graphics machine in the Chinese Academy of Sciences, which on its face sounds harmless but it is a key part of China's nuclear weapons complex; one Sun Microsystems machine we sold, we learned last week, is now running in a Chinese military facility after being diverted from Hong Kong.

What Senator COCHRAN and I are saying is, is it worth our effort and time to take care not to let these computers fall into the wrong hands? But, if you listen to the voices of business and the supercomputer industry, you would think that our suggestion was to stop sales of supercomputers. But it is not. In fact, it wouldn't affect 93 percent of the sales already, and for the other 6.3 percent all we are asking is for time for review.

We received a letter in opposition to our amendment from the Secretary of Commerce, a man whom I admire very much. But I would have to say to the Department of Commerce and to the Department of Defense that it is not unreasonable for us to ask you to set up a mechanism to make sure these computers don't end up in the wrong hands.

I have received a publication from the U.S. Chamber of Commerce. Not surprisingly they don't want any restrictions on this trade. They want U.S. companies to be able to sell whenever and to whomever they choose, and they don't want the restriction of the Cochran-Durbin amendment. But I would say to my colleagues that it is a little disingenuous for them to argue that if we do not allow the sale of supercomputers which can be misused against the United States that we endanger American jobs. There is something larger at stake than American jobs. What is at stake here is American security. I would think that every worker in the computer industry or outside would want to make certain that, No. 1, we provide for the common defense. If I recall, that is part of a document that all of us consider to be illustrative of the goals of America.

Let's address this issue about whether or not the Cochran-Durbin amendment in going after the 2,000 MTOPS model is talking about a garden variety of PC's which people can pick up at the corner computer store and are today available in Senate offices. As one of my colleagues said, it is a common thing that shouldn't be restricted. From what we are told 10,000 MTOPS is not common to them. The computers that are being sold right now are at a level of 200 MTOPS or 250 MTOPS. And even assuming that this industry, which is burgeoning and increasing its capability dramatically, should continue to increase the capability of these computers, Senator COCHRAN and I estimate that it will be more than 4 years before they all reach the end of the MTOPS stage. At least until that time shouldn't we take care, be cautious, and be concerned about the danger of selling this capability? I think we should. I think it is a serious mistake for us to assume that if we do not sell these computers to our potential enemies some other country will.

When we asked the Department of Commerce and the Department of Defense this question they said, ''Well, the only country likely to step in, if the United States doesn't sell the computers, is Japan.'' Incidentally, Japan has more restrictive export controls than the United States. So I wonder if we are really thinking very seriously about the potential ramifications.

It is very shortsighted to celebrate the sale of a computer to a country overseas, to celebrate the jobs that are created, and to ignore the reality that that computer may give a potential enemy capability—capability to manufacture, capability to test through computers nuclear weaponry, chemical weaponry, and biological weaponry. All of these things I think should be of great concern to all of us.

With all due respect to my colleague, the Senator from Minnesota, I would say that his amendment does little to address the core problem here. To call for a study? Well, we have been at this for 15 months. If you want to know what has happened, we can give you the statistics. We can tell you what has occurred in terms of the sales actually made to China, to Russia, and through Hong Kong back to China. We know things have happened that we never wanted to happen. The idea that we can somehow evaluate this and then let those know who are interested really strikes me as a very weak approach.

Let me just say that the bottom line is that I know industry is in the business of selling. I think our Government and the Senate should be in the interest of not only encouraging sales but encouraging responsible sales.

When Senator COCHRAN and I come forward and say that for 6.3 percent of computers we want to make certain there is a review, that the end users cannot use that technology against us, I think that is a reasonable request.

I sat through the hearing. I wish some of my colleagues who oppose this amendment could have sat through it as well. I think they would have come away with the same impression that I did. The current liberal trade policy of supercomputers is going to create a situation which could one day come back and haunt America. We are giving to those in China, Russia, and other countries capabilities which we have worked hard to create and capabilities which unfortunately they may misuse.

We spend so much time in this body discussing the proliferation of weapons. We watch every move that the People's Republic of China makes for fear that they are proliferating these weapons around the world. We have classified and unclassified briefings on the subject. And when it comes to the sale of hardware and technology, we step aside and say it is another story. It is not. It is the same story. It is the same concern, and should be expressed as such.

I hope my colleagues will take a hard look at this. It is not often that I break with the Clinton administration on foreign policy. But I think Senator COCHRAN is right. I think this policy should be subject to thorough review, and I think his amendment, which I am happy to cosponsor, is a step in the direction to make sure that we don't turn loose to the world supercomputer technology and one day come to regret it.

I reserve the remainder of my time.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMS. I yield time to my colleague from California who is also a cosponsor of the amendment.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, thank you, very much.

Mr. President, will you tell me when I have used 10 minutes? Then I will wrap it up because I know the Senator from Missouri is waiting. We are very proud that he is here to speak in behalf

of the Grams-Boxer amendment. I am also proud to say that Senator DASCHLE, the Democratic leader has endorsed the Grams-Boxer amendment.

Mr. President, my colleague from Illinois started off his argument by quoting Lenin. He said Lenin said that ''The capitalist will sell you the rope that you need to hang him.'' I never agreed with Lenin, and I don't agree now.

But, in addition, I really do believe that the Cochran amendment, as drafted, amounts to us hanging ourselves. What do I mean by this? I do not believe the Cochran amendment does anything to protect our national security. Rather, it harms it, I believe, a very substantial way, our international competitiveness in an industry that is leading America into prosperous times.

This is a view that is shared by Defense Secretary William Cohen, by Commerce Secretary William Daley, and our National Security Adviser, Sandy Berger. This bipartisan team has told us very directly that the Cochran amendment is harmful. I truly hope our colleagues will take a deep breath, step back and review these letters.

Mr. President, I ask unanimous consent that letters from the Secretary of Defense, the Secretary of Commerce, and the National Security Adviser be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, July 9, 1997.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. MAJORITY LEADER. I am writing to express my opposition to the Cochran-Durbin and Spence-Dellums amendments to the Fiscal Year 1998 Defense Authorization Act regarding supercomputer export controls.

While I understand the concerns that motivated these amendments, I believe they are unnecessary and would undermine the flexibility that we need to adapt to changing security requirements and technology trends. I am a strong advocate for effective export controls. To be most effective, we must focus our limited export control resources on the export of goods and technologies that can make a significant difference for national security and nonproliferation reasons. Therefore, in order to best serve our security interests, we need to maintain a system that allows us to adjust our controls when technology advances and when technology becomes widely available. Putting specific control levels into statute is not an appropriate means to meet these often fast-changing challenges.

We have a system and adequate authority under current law that can deal appropriately with unauthorized exports and diversions. In this regard, the Administration is aggressively and intensively addressing recently reported unauthorized computer shipments to Russia and China, using the full range of law enforcement and diplomatic tools available.

We remain committed to working with Congress to address these important matters in a manner that maintains the flexibility we need to preserve our security interests.

Sincerely,

BILL COHEN.

THE WHITE HOUSE,
Washington,

Hon. TRENT LOTT,
The Senate,
Washington, D.C.

DEAR TRENT: I want to convey the Administration's strong opposition to Cochran-Durbin and Spence-Dellums floor amendments to the FY 1998 Defense Authorization Act concerning export licensing requirements for high performance computers.

First, we believe it is a mistake to set these export control limits in concrete by mandating them in statute, particularly in view of the rapid growth in computing power available worldwide. The amendment drastically undercuts our flexibility to adjust controls to keep pace with technological change—an extraordinarily rapid pace in the highly competitive area of computers—and with our ongoing evaluations of evolving security requirements.

Second, there is no need to legislate a revision to this policy. There are adequate administrative and enforcement means under current law to address problems that arise with U.S. computer exports. For example, with regard to the reported unauthorized computer shipments to Russia, both the Departments of Commerce and Justice are intensively investigating the shipments, and we are actively addressing the issue through diplomatic means. We also are issuing additional administrative guidance to U.S. exporters regarding impermissible end-users of proliferation concern. The Department of Commerce is reviewing all computer exports above 2,000 MTOPS (Millions of Theoretical Operations per Second) made since January 1996, including those countries in Tier Three such as China, India, and Israel. If problems are identified with any of these shipments, we have the legal and administrative means to address them and I can assure you we will use that authority.

The Administration remains willing to work with the appropriate committees of the Congress to address concerns regarding export controls.

Sincerely,

SAMUEL R. BERGER,
Assistant to the President for
National Security Affairs.

THE SECRETARY OF COMMERCE,
Washington, DC, July 8, 1997.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR LOTT: I am writing to urge you to oppose the amendment to the Defense Authorization Act for 1998 authored by Senator Cochran concerning exports of high performance computers and support instead the alternative proposed by Senator Grams, which would provide an objective assessment of the effect of computer sales on our national security. The Administration opposes the Cochran amendment because it reflects a fundamental misunderstanding of the role of computer technology in the global marketplace and will seriously hurt the competitiveness of the computer industry without enhancing our national security.

The Cochran amendment seeks to roll back the President's decision in 1995 to permit the export of computers with a performance capability of 2,000 to 7,000 Million Theoretical Operators Per Second (MTOPS) to civilian end users in 50 countries, including China, Russia, India, Israel, and Pakistan, without advance approval from the government. The amendment would require individual government approval for each such export. (The President's policy currently requires individual approval for all exports of computers with a performance capability above 7,000 MTOPS to all end-users in those countries, as well as for all exports or re-exports with a CTP greater than 2,000 MTOPS to military and proliferation end-users in Computer Tier 3 countries as defined in part 744 of the Export Administration Regulations.)

The President's decision was based on an extensive government review of advancements in computer technology and of our national security requirements that concluded (1) that computers with capabilities in this range would become widely available between 1995 and mid-1997, and (2) that critical defense applications that justified export controls were clustered at levels above 7,000 MTOPS. Information we have acquired since the decision supports those conclusions and suggests that, if anything, its forecast of foreign availability of these computers was conservative. The amendment would lock us into an export control policy that is already outdated and which could only be changed by legislation.

The Cochran amendment's proposed control levels are outdated because of the rapid pace of development of computer technology and the widespread availability of the semiconductors that run these machines. In late 1995, single processors with a performance capability between 400 and 600 MTOPS were available, while today such processors are commercially available at over 1000 MTOPS. At the beginning of the Clinton Administration, machines performing at over 195 MTOPS were defined as ''supercomputers.'' Today, many desktop PCs exceed that level. These computers are not controlled for export and are manufactured in many countries throughout the world. It is relatively simple to upgrade existing machines to higher levels by adding processors. In addition, connecting lower level PCs that are not controlled for export—known as ''distributed parallel processing''—can permit them to function with the capability of a single larger machine.

Attempting to stop the spread of computers to selected countries at the Cochran amendment levels would be exceptionally difficult and not the best use of our nonproliferation resources. We can control proliferation of weapons of mass destruction more effectively by concentrating our resources on ''choke point'' goods and technologies—those items without which a weapon cannot be built or delivered. Those items, by virtue of their specialized use, often have a limited number of producers and can be effectively controlled through multilateral agreements. Such items also can be controlled through unilateral action if necessary.

At the same time, I want to make clear that the Department of Commerce takes violations of our export control law and regulations very seriously and is prosecuting them aggressively. We have sufficient authority in current law to do that and are also taking a number of steps to help industry better meet its responsibilities. The Bureau of Export Administration (BXA) is reviewing all computer exports in the 2,000–7,000 MTOPS category; where there are concerns, BXA has initiated investigations; where investigations show that a U.S. law may have been broken, BXA has promptly referred the matter to a U.S. Attorney's office for prosecution; BXA has published the names of organizations and other entities involved in activities of proliferation concern (such as nuclear proliferation) to whom dual use exports will require a license; and BXA is re-doubling efforts to educate companies on their obligations to know their customers.

I hope you will vote against the Cochran amendment and for the Grams substitute. If you have questions about the technology or

our policy, I would be delighted to arrange a briefing for you.

Sincerely,

WILLIAM M. DALEY.

Mrs. BOXER. Mr. President, let me share with my colleagues part of the letter the Secretary of Defense has written in opposition to the Cochran-Durbin amendment and the Spence-Dellums amendment. Secretary Cohen says, ''I believe they are unnecessary and would undermine the flexibility that we need to adapt to the changing security requirements and technology trends.'' He goes on to say, ''We have a system and adequate authority under current law that can deal appropriately with unauthorized exports and diversions.''

The Secretary of Commerce is very strong on this point. He says the Cochran amendment's proposed control levels are outdated because of the rapid pace of development of computer technology, and the widespread availability of the semiconductors required to run those machines.

From the National Security Adviser, Samuel Berger, we hear this. ''We [referring to the Administration] believe it is a mistake to set these export control limits in concrete by mandating amendment of statutes, particularly in view of the rapid growth in computing power available worldwide.''

He continues, ''[the Cochran amendment] drastically undercuts our flexibility to adjust controls to keep pace with technological change * * *.''

I think what we see here in this debate is the bipartisan effort here to ask our colleagues in the Senate to really look at the Cochran amendment and to realize that it will really simply hurt us.

It reminds me of someone who wakes up in the morning feeling great, everything is going well, and then they just knock themselves in the face, knock themselves out. For what reason? There is absolutely no reason.

There is no reason to put these controls back on these midlevel computers. The current policy that is in place did not occur in a vacuum. The decision to decontrol was based on the collective wisdom and judgment of the Department of Commerce, the Department of Defense, the State Department, intelligence agencies, and the Arms Control and Disarmament Agency. And the decision to decontrol the chips, that run the computers, was made by the Bush administration. Why were those decisions made? They were made because computers in the 2,000 through 7,000 MTOPS ranges are midlevel computers that are widely available. They are not supercomputers.

Let me repeat this because I know there is a lot of confusion on this issue. Computers in the 2,000 MTOPS through 7,000 MTOPS range are not supercomputers. In fact, many computer servers will top the 2,000 MTOPS threshold next year.

A server is the central computer in an office, and it holds information which all of the other computers in the office can access. It is expected that next year a number of law firms, distribution centers, dentist's offices, doctor's offices, car dealers, police departments, and even congressional offices will be using servers at the 2,000 MTOPS level. Yet, if the Cochran-Durbin amendment were adopted, we would reimpose export controls on computers that we may be using right here in the Senate next year.

Technology is advancing, as Secretary Cohen noted. It is being developed and is moving forward at a very rapid pace, not only in this country, but in other countries as well. We cannot stop it, nor can we slow it down.

So it seems to me, Mr. President, our export policy should move forward, to keep pace with technology rather than move backward. By reimposing export controls on midlevel computers, as called for in the Cochran amendment, we would in fact, however, be moving backward. Moving backward, Mr. President, without a clear national security rationale for so doing. That is not coming from Senator BOXER or Senator GRAMS or Senator BOND. It is coming from Secretary of Defense William Cohen. It is coming from Samuel Berger, the National Security Adviser.

Our goal as policymakers should be to establish export policies which are efficient, effective and competitive while also ensuring that our national security objectives are maintained. Current law achieves that objective.

Does this mean we should allow companies to sell any computer at any level to any country notwithstanding our national security interests? Of course not. Our national security interests are paramount. They are paramount. Our export policies absolutely must ensure that our foreign policy and security objectives, particularly as they relate to nonproliferation and counterterrorism, are maintained.

The Cochran-Durbin amendment, however, restricts our export competitiveness without furthering our national security objectives. Let me explain why the Cochran-Durbin amendment will not further our national security objectives.

First, the independent study conducted in 1995 concluded that exports of computers in the 2,000 to 7,000 range, destined for civilian use, posed no national security risk. The Cochran amendment, however, would severely restrict the sale of these computers to foreign commercial users because, as my colleague Senator GRAMS has so clearly stated, it takes an average of 107 days for the appropriate agencies—Commerce, Defense, State, and others—to issue export licenses on these mid-level computers. to buy a midlevel computer if you were a person who went into the store in, let us say, a city in Israel; that is one of the Tier 3 countries that would be impacted here.

Let me pose a question, and I think anyone can answer it. If you were a businessman in, let us say, Israel, that is one of the Tier 3 countries that would be impacted under the Cochran amendment, and wanted to purchase a computer from a United States manufacturer, but you were told that the United States manufacturer from whom you wanted to purchase the computer would have to wait an average of 107 days to get an export license to ship the computer, would you purchase that computer from the United States manufacturer, or would you opt to purchase a similar computer from a Japanese manufacturer? Clearly, the answer is that you would purchase from the Japanese manufacturer and not the American manufacturer.

Now, if there was any national security reason for this, I would be standing here arguing for it. But I do not see what national security objective is furthered when an Israeli dentist cannot go buy a computer for his office. I frankly do not see it. Second, we also know that sophisticated advanced nuclear weaponry design is not conducted on midlevel computers in the 2,000 through 7,000 range. And again, as my colleague Senator GRAMS, has clearly stated, the computers are just boxes. It is the chip inside the computer which makes the difference, and those chips were decontrolled under the Bush administration.

Third, and I alluded to this earlier, we know the Japanese make these computers. We also know companies in France, Taiwan, the United Kingdom, and Germany all manufacture computers in the 2,000 through 7,000 MTOPS range.

And how about this? China is producing computers at the 13,000 MTOPS level, far above the level which the Cochran amendment seeks to control.

So what are we doing here? We are hurting one of the most robust and important industries in our country, and there is no reason to do it. We cannot control the uncontrollable. If we were the only ones in the world that made these computers, this debate would be worth having, but we are not.

The PRESIDING OFFICER. The Chair will inform the Senator from California that she has now consumed 10 minutes.

Mrs. BOXER. I thank the Chair. Will you tell me when I have used 3 more minutes and then I will yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. So we cannot turn back the hands of time. All of those countries make these computers already. We are hurting ourselves for no rational purpose.

Finally, in analyzing this issue, I think it is also important to consider whether we as Senators have the expertise to determine what makes a supercomputer. I really believe we do not have that expertise among us. The Secretary of Defense has all of that expertise at his disposal. The National Security Adviser has all of that expertise at his disposal. The Secretary of Commerce has all of that expertise at his

disposal. And each opposes the Cochran amendment. So I do not think that any of us, individually or collectively, possess the knowledge to make that kind of determination. I think the fact that we have Senators referring to a 2,000 MTOPS computer as supercomputer evidences that fact. We know that 2,000 MTOP computers are not supercomputers because the experts have concluded otherwise.

So I hope that my colleagues will join the Democratic leader and will join us and vote for the Grams-Boxer amendment. I think we should study this issue further and defer to the Secretary of Defense and to the intelligence agencies. I think that would set us on the appropriate course.

I thank my colleague for his generosity, and I yield back to him.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I thank my colleague from California for that excellent statement, and I appreciate her support on this amendment as well.

Mr. President, I would like to now yield time to the Senator from Missouri [Mr. BOND] for whatever time he may consume.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank the distinguished manager of the amendment.

As a former chairman of the Banking Subcommittee on International Finance, it is a pleasure to rise in support of the amendment offered by the current chair of that subcommittee and the current ranking member. We spent a lot of time in the International Finance Subcommittee trying to figure out what export controls work and what controls do not work.

Let me tell you something, Mr. President. The one thing that we have learned is we do not spend enough time in dealing with the truly cutting-edge technology, the major supercomputers that need to be controlled. And why? Because we spend too much time on things that are readily available in Radio Shack in the United States or similar stores throughout the world. Why are we wasting our time trying to control something that any attaché from an Embassy can walk into a store here in the United States and pick up and send home or can be found in a store in almost any major city in the world.

Two years ago, the Clinton administration put to an end the requirement that a U.S. exporter of computer technology attain a Commerce Department license prior to selling computer equipment with a capacity greater than 2,000 MTOPS to any Third Tier nation—2,000. We need to keep these numbers in mind and, unfortunately, there are a lot of numbers going to be thrown around. We are talking about the range of 2,000 to 7,000.

Now, the administration arrived at this decision at the conclusion of a detailed study by a professor at Stanford University conducted in association with the Department of Defense and the Department of Commerce. These parties concluded that the marginal benefit to national security cannot justify requiring U.S. exporters of technology at this level to be licensed for sale to nonmilitary users. Acting on the conclusions of this very credible source and with the concurrence of the Defense and Commerce Departments, the administration rolled back the regulatory requirement that the first-degree amendment of the distinguished Senators from Mississippi and Illinois would seek to reimpose. In spite of my great respect for my esteemed colleagues from Mississippi and Illinois, let me say that rolling back the decontrols is unwise and misdirected policy, and I hope that our colleagues will join us in supporting the second-degree amendment.

The policy of the legislative change in the first-degree amendment quite simply cannot be policed, it cannot be enforced, it is ineffective, and it does little to contribute to our national security. I might add, ''harsh letter to follow.'' I think if you would take those four points—it cannot be policed, it cannot be enforced, it is ineffective, and does not contribute to our national security—it does harm our economic competitiveness. It does take away jobs from Americans.

The question here is about computer technology, but it is also about computer chips. Dozens of computer chips with a typical capacity of 650 MTOPS are available commercially all over the world—650 MTOPS. I happened to stop by the candy desk, and I picked up four pieces of candy. Each one of these could hold a computer chip wrapped in a couple of layers of protective shipping material. Four 650 MTOPS chips would give you the capacity of 2,600 MTOPS—600 MTOPS above the level. If these were four computer chips, that would give you more computing power than the minimum amount to be licensed in sales under this first-degree amendment. I am told that anyone with the know-how, basic electronic know-how, can fashion these chips together in a computer with capacity that is far greater than that which would be regulated under this amendment.

I cite this example to show that it is nearly impossible to prevent the transport of certain technology particularly when it can be carried out of the country in somebody's pocket. It is simply fruitless to attempt to control technology at this level through export control measures.

Now, the proponents and my friend from Illinois have talked about sales of supercomputers to our adversaries. If that is what we were talking about, if we were talking truly about supercomputers, I would be on their side because I do not think we ought to be selling supercomputers. Supercomputers that do military work these days are 20,000 MTOPS to 650,000 MTOPS. They are talking about computers 10 times, 10 times the range that would be covered by this regulation.

Now, the Senator from Illinois said that the servers we have in our offices are about 200 to 250 MTOPS. I just checked with the computer center, and the Pentium server that we have in our office to do such sophisticated things as handle the mail and try to get the split infinitives out of the letters my staff prepares for me and handle memoranda and keep the books in our office is a 1,500 MTOPS computer. That server is 1,500, just under the level that would be regulated. And we do the high-technology stuff like keep the mail and send e-mail messages. I have even learned how to use it. That is how simple it is.

With little benefit to national security, the first-degree amendment's proponents are preparing to deliver a serious blow to the American computer industry. With very little to show for it, the advocates of this amendment are advocating the subjection of the entire computer industry to a cumbersome bureaucratic process and a significant regulatory burden. Our competitors certainly will not be joining us in this effort. To the contrary. When they have concluded their celebration and breaking open the champagne bottles to celebrate their capture of this market, they will use this opportunity to leave our manufacturers in the dust. While perhaps our most dynamic industry is forced to comply with added regulatory obstacles, our competitors will be selling to our country's former customers.

This amendment, Mr. President, is a blow because it is not regulating the sale of supercomputers. The technology we fear will be employed to upgrade weapons systems. The amendment actually regulates the sale of technology on the level of an office server or an office workstation, a tremendous market for our manufacturers. In a short period of time, this amendment will be regulating personal computers and we will be doing it by legislation that will have to be changed. You know how quickly we change things around here. Not that quickly.

Many levels of technology far below that which pose national security risks will be subjected to this policy. Leadership in the computer industry is incredibly important to the prosperity of this country. We cannot afford to foreclose those markets. The disadvantage to our producers on the world market cannot be understated. The potential loss of U.S. jobs cannot be underestimated. And the risk to our leadership in the industry should not be jeopardized in this manner.

I do not take lightly the reports of technology being diverted to unauthorized military users. This is a serious matter that requires our attention. That is why it is important to study

the 1995 decontrol and evaluate its effectiveness. I believe that we will find that it was unlikely that these transfers could have been prevented and that they are an inevitable byproduct of the world market. But, should it be concluded that decontrol is a threat, corrective measures can and should be taken in a prompt fashion. They can be taken administratively. However, to backtrack today with a legislative enactment would be a mistaken rush to judgment and risks placing our companies at a significant competitive disadvantage.

It has already been pointed out, and I believe the Senator from California has offered into the RECORD the opposition of the Department of Commerce, the Department of Defense, the administration, and several of my colleagues. I note just one provision in the letter from our former colleague, the former Senator from Maine now the Secretary of Defense, Bill Cohen. He says in that letter:

> I am a strong advocate for effective export controls. To be most effective, we must focus our limited export control resources on the export of goods and technologies that can make a significant difference for national security and nonproliferation reasons.

Mr. President, that is the gist of this whole thing. We should not be focusing our efforts on things that are readily available commercially. I agree with the Secretary of Defense that we ought to concentrate our efforts on the true supercomputers and make sure that those, not office workstations, are kept out of the hands of potential adversaries.

We need to be selling to countries like Israel workstations and office things, personal computers, that would, if the first-degree amendment were adopted, be subject to a lengthy licensing process.

Mr. President, I urge my colleagues to support the second-degree amendment of the chairman of the subcommittee, my friend from Minnesota. I thank the Chair and I yield the floor.

Mrs. FEINSTEIN. Mr. President I rise today in opposition to the Cochran/Durbin amendment to the Defense Authorization bill. The amendment would bar the sale of many types of computers, denying export opportunities for American firms, shifting high-technology sales to international competitors and flooding the Commerce Department with export applications for routine computer sales.

Rather than impose new restrictions, the Senate should adopt a substitute amendment, offered by Senator ROD GRAMS of Minnesota and my California colleague BARBARA BOXER. The Grams/Boxer substitute would:

Require the Commerce Department to improve its licensing process and provide more information to exporters, assisting exporters to identify suspicious potential purchasers and avoid questionable sales.

Require the General Accounting Office to study the impact of proposed export restrictions and the impact of foreign availability of computers on U.S. exports.

Rather than restrict a broad range of computer exports, the Grams/Boxer substitute amendment will help the administration and exporters distinguish between the potentially damaging sales that place us at risk and the routine computer sales.

EXPORT CONTROLS MUST APPLY TO THE RIGHT COMPUTERS

Since the 1940's, the United States has controlled the export of dual-use technology, advanced technology which has both defense and nondefense applications. These restrictions are appropriate, because we all want to keep critical military technology out of the hands of potentially hostile militaries.

However, technology advances rapidly. What was called a supercomputer only a few years ago, represents only routine computing power today. We cannot lock up U.S. exports and deny the administration the necessary flexibility to respond to evolving technology and worldwide competition.

In 1993, the administration conducted a thorough review, involving the Departments of State, Defense, and Commerce, intelligence agencies and the Arms Control and Disarmament Agency. The resulting U.S. policy permits the export of computers capable of 2,000 to 7,000 million theoretical operations per second [MTOPS] for Tier 3 countries. Among the more than 50 tier 3 countries are the countries of the former Soviet Union, Israel, Saudi Arabia, India, and China.

Export restrictions must be based on an objective review of a computer's computing power and the computing needs of the potential computer application. As Defense Secretary Cohen stated, ''we need to maintain a system that allows us to adjust our controls when technology advances and when technology becomes widely available. Putting specific control levels into state is not an appropriate means to meet these often fast-changing challenges.''

THE COCHRAN/DURBIN AMENDMENT IS OVERBROAD

The Cochran/Durbin amendment would prohibit the export of computer of 2,000 to 7,000 MTOPS from being exported to any Tier 3 country without an export license. The amendment is overbroad and will deny sales for U.S. companies and undermine our long-term national security needs.

The amendment will restrict the sale and export of ordinary work stations and computers, not just supercomputers. Many low-level work stations currently exceed the 2,000 MTOPS level, and are found in offices, ranging from law firms to auto dealerships, across the country. By 1998, personal computers will exceed the 2,000 MTOPS level and would be subject to the amendment's licensing requirement. At a time when many have urged the complete abolition of the Commerce Department, the Cochran amendment will trigger a flood of export applications for new categories of common computers.

THE RESTRICTIONS WILL NOT INCREASE NATIONAL SECURITY

The proposed amendment will not enhance U.S. national security. In 1995, the administration's review concluded computers of 2,000 to 7,000 MTOPS were widely available throughout the world and no longer considered to be a critical choke point for technologies used in the design, testing, or production of weapons of mass destruction.

However, if U.S. firms are denied the sales, manufacturers in other countries are prepared to fill the void. Computers in the 2,000 to 7,000 MTOPS range are manufactured in Japan, as well as 4 European companies. China reportedly produces a 13,000 MTOPS computer, while Russia and India also already produce computers more powerful than those the amendment would seek to control. The proposed restrictions will not keep technology out of the hands of countries posing national security concerns. The proposed restriction will be ineffective, denying many legitimate transactions for valid purposes, while allowing military testing proceeds through other means.

EXPORTERS NEED MORE INFORMATION

Under current law, the manufacturers of computers are caught because the Commerce Department cannot release the name or circumstances when an export license application is rejected. The notice of the rejection of a license is only provided to the individual exporting applicant.

As a result, when a U.S. exporter's application is rejected, the suspicious purchaser is encouraged to pursue alternative sellers and provide false information to support the sale. If potential U.S. exporter could receive more information, potential sales to suspicious purchasers could be detected earlier.

CONCLUSION

I urge my colleagues to reject the Cochran amendment. The amendment will impose unnecessary restrictions on routine computer exports and undermine our national security in the long-run by shifting more sales to international competitors, many with weak or no export control laws at all.

Rather than impose new restrictions, the administration should provide more information to potential exporters to assist in the identification of suspicious potential purchasers.

The Grams/Boxer substitute will offer the appropriate incentives, while providing the administration with the authority to distinguish between sales that jeopardize national security and those that do not. While the administration needs flexibility to focus attention and resources on priority export applications, the Cochran amendment will divert attention and resources away from high-priority areas, truly placing our national security at risk. The Cochran amendment should be rejected.

Mr. KERREY. Mr. President, I rise today in support of the Grams second-degree amendment. Today, America leads the world in the development and production of high performance computers and our commercial interests in promoting exports of these machines is strong. To restrict the export of computers at the level set by the Cochran amendment would unnecessarily hurt our companies without promoting our national security.

I, like all other Senators, am concerned about how the export of advanced technology affects our national security. Recent press stories have made it all too clear that potential adversaries wish to acquire American technology to assist their military efforts. In addressing this issue, however, policymakers must strike a balance between the interests of American companies and what is required to ensure our national security. This is never an easy task and is made more difficult with the rapid ace of development in the computer industry. We need to be diligent in our efforts to try and match our policies to what is occurring in that industry.

Supercomputers are integral to the development of advanced weapons development. Therefore, our policy which restricts the export of the most powerful computers is necessary and warranted. However, the performance level of the computers that the Cochran amendment seeks to control does not reach the extreme speeds of true supercomputers. The Cochran amendment imposes controls on computers operating at 2,000 to 7,000 million theoretical operations per second [MTOPS].

Today, a computer that operates at 2,000 MTOPS is considered a mid-level workstation. The next generation of chips may allow Senators to have machines capable of that speed on their own desks by the end of next year. High performance computers start at 10,000 MTOPS and go up to 1,000,000 MTOPS. Supercomputers are machines that operate above 20,000 MTOPS and require validated export licenses under the current policy.

In 1995, an extensive Government review of computer technology determined that critical defense applications required machines that operated above the 7,000 MTOPS level. Further, it was determined that machines that operate below the 7,000 MTOPS level would soon become widely available from foreign suppliers. The administration then proposed its current policy, which has strong restrictions on the sale of computers that operate above the 7,000 MTOPS and lesser restrictions on machines that operate below that level. This decision was reviewed and approved by the Defense Department, the State Department, ACDA, and the intelligence agencies. Information gathered by our intelligence community since that decision was made support keeping the export policy in its current form.

Today, companies in Germany, Italy, France, India, Japan, and Poland are selling computers that operate in the 2,000 to 7,000 MTOPS level. And the performance level of the computers foreign companies produce continues to grow. Even if availability of these machines were a legitimate risk to national security, which it is not, restrictions on American companies seeking to export computers in this range would have little or no effect on the ability of foreign militaries to acquire this technology.

Further, simply placing license requirements on the sale of these computers would place American companies at an unfair disadvantage. We all know that sales of technology or any commodity depend on the speed of delivery. Foreign customers will not wait a week for an American company to receive a license if another vendor can deliver the same quality machine tomorrow.

Critics of the current policy believe its implementation has allowed computers to be diverted to illegitimate end users. The Commerce Department has not informed companies what foreign customers should or should not receive this type of computers and places the burden on the companies to acquire this information. However, how well a policy is implemented does not necessarily reflect on the prudence of the policy. If there have been problems in how our current export policy is implemented, recent changes made by the administration and measures imposed by the Grams amendment should help fix them.

I agree with Senator GRAMS that we should continue to evaluate our computer export policy and how foreign availability affects U.S. exports. We should also make it easier for companies to know which foreign companies, militaries, and nuclear end users should not receive our technology. I believe the current policy has been set at a level which both promotes American commercial interests and helps protect our national security. I urge my colleagues to join me in supporting the Grams amendment.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. How much time remains on both sides, Mr. President?

The PRESIDING OFFICER. The Chair will advise the Senator from Mississippi that 8 minutes 53 seconds remain under his control of time, and 9 minutes 42 seconds remain under the control of the time of the Senator from Minnesota.

Mr. COCHRAN. Mr. President, does the distinguished Senator from South Carolina wish time on the amendment?

Mr. THURMOND. Mr. President, on behalf of Senator COCHRAN, I ask unanimous consent that the Senator from Maine, SUSAN COLLINS, be added as a cosponsor of the Cochran amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished chairman of the Armed Services Committee for his contribution to the understanding of this issue and for his cosponsorship personally of the amendment and his announcement that the distinguished Senator from Maine, Senator COLLINS, is now a cosponsor of the amendment. This indicates that we have a broad base of cosponsors for the Cochran amendment, which means, if you are for the Cochran amendment, you would vote against the Grams and Boxer substitute for the Cochran amendment, because their amendment undermines the effort to impose a change in the current policy to require simply that our Department of Commerce approve sales of computer technology and computers by U.S. firms to overseas customers that have a computing capability of between 2,000 MTOPS and 7,000 MTOPS, if they are certain kinds of countries called Tier 3 countries, to ensure that they are not military users or that the computers will not be put to a military use.

The problem with the current policy is that the Department of Commerce is leaving it up to the U.S. exporters to make this determination now. Some have gotten into trouble because some, like Silicon Graphics in California, are now under a grand jury investigation because of sales made to questionable users in violation of the current policy. The question is whether they knew or should have known that the end use was going to be military or the end user was going to be military; whether they exercised that degree of diligence required by the current policy.

Do we want to continue that kind of policy that puts at risk all of our computer companies when engaged in these international sales? I say no. It is time to put the onus, not on the computer company trying to make a sale abroad, but on the Department of Commerce, which has the responsibility of administering its own policies. But they are shifting their burden to the exporter, away from the Government, and this is causing difficulty. It has resulted in seven very sophisticated, high-end supercomputers being used now by the Chinese Academy of Sciences, an arm of which is involved in the modernization of the Chinese nuclear weapon program and capabilities. In Russia, the chairman of the equivalent to the Atomic Energy Commission there, boasted that they now have a supercomputer with a potential previously unknown, because of U.S. technology exports to Russia. That is the entity that modernizes and maintains the nuclear weapons of Russia.

What we are unwittingly doing by carrying forward and going forward with this policy with no change, which is what the Grams amendment basically suggests, it says make a list, tell

everybody who they should not sell to—you cannot do that. You cannot possibly make a list and put down all the fronts for the People's Liberation Army or others who might be involved in either developing new weapons of mass destruction or exporting the technology for these weapons: North Korea, Iran, other countries and nation-states that we know now are developing more and more sophisticated and lethal weapons of mass destruction capability, with delivery systems. We know that is going on.

Here we are providing the technology to do simulations that they cannot do now without our technology. They cannot buy this. They cannot buy this from any other country except the United States. And we are leaving it up to U.S. exporters, saying our policy depends upon the good intentions and the capabilities of our U.S. civilian companies to determine these end uses and end users, who they are, what they are going to do with the technology, whether or not they are going to transship it to some other entity.

There are facts on the record, as a result of hearings held in our subcommittee that has been looking at proliferation issues all year, that are overwhelming and completely persuasive on this point. This policy ought to be changed. The only way Congress can influence change is by adopting a change, by doing so in this amendment. We cannot issue a regulation. We cannot make an administrative policy change here in the Senate. We can ask them to do it. We have already done that and it has not resulted in the change that is necessary. It is simply if you were a suspicious end user, we want the Department of Commerce to certify that it is OK to make that sale.

The Senator from California correctly discusses whether or not some of our closest allies are going to be adversely affected by this amendment. Israel has been purchasing computer technology under existing policy with licenses from the Department of Commerce. That is going to continue. That is not going to change. There is not going to be any slowdown in the process if someone is a trusted ally or friend. We don't even require licenses for our NATO allies. They are Tier 1 countries. But the Tier 3 countries—that includes China, Russia, and a lot of other countries—do have to have the approval of the Department of Commerce under our amendment if the computer capability is within a certain range.

These are not PC's. The Senator from Missouri, and my dear friend, suggests that this is like the PC's on our desk, at our workstations in our offices. He is talking about the Pentium server, that is the network, the hardware for the entire network. I know he did not mean to misrepresent it, but you have to understand what he's talking about. He has acted like an attaché walks into Radio Shack and buys one of these computers that has an MTOPS speed and capability that would be described in this amendment. That is not true. You cannot do that.

First of all, an attaché could not afford it. These are expensive. The fact is, we are talking about only 6.34 percent of the total supercomputer sales that would be affected by this amendment. Mr. President, 95 percent of all of the sales have been approved within 30 days that do require licenses. The Senator from Minnesota said it is over 100 days you had to wait to get approval. That is not borne out by the facts, by the testimony before our subcommittee by the people at the Department of Commerce.

So I am hopeful that Senators will think carefully about what we are trying to do. I know the computer companies are putting a lot of pressure on, sending everybody messages and phone calls and the rest. I would not want to have to go through another process. But we are talking about only such a small part of the market, a small part of those manufactured workstations and other large pieces of hardware that have the potential to be used to upgrade lethal weapons systems and missile systems to make them more accurate, to make them more lethal, to make them competitive with the U.S. arsenal that is designed to protect us. And we are going to put at risk our own system of national defense? We can't do that.

Mr. President, I urge Senators to vote against the Grams-Boxer amendment and then vote for the Cochran-Durbin amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Minnesota.

Mr. GRAMS. Mr. President, I inquire how much time is remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 9 minutes 42 seconds remaining, the Senator from Mississippi has 25 seconds.

Mr. GRAMS. Mr. President, I want to make one brief comment before I ask to yield time to my colleague from New York.

I want to say our friend and colleague from Mississippi has a well-intended amendment, but it is aimed at the wrong level. These are not supercomputers, as they continue to try to say. These are midlevel computers. If you are talking supercomputer, a low-end supercomputer starts at 20,000 MTOPS and goes now to 650,000, and next year it will be over a million; so these are not supercomputers.

Mr. President, I now would like to yield up to 7 minutes to my friend from New York.

The PRESIDING OFFICER. The Senator from New York is recognized to speak for up to 7 minutes.

Mr. D'AMATO. Mr. President, let me first say there are very few colleagues for whom I have greater respect and who are more knowledgeable in the areas of national security than the distinguished senior Senator from Mississippi, Senator COCHRAN. Indeed, he raises a very valid and natural concern that we have with respect to nuclear proliferation and the ability to enhance systems by way of the computer, the supercomputer in particular, and the need for proper balance in terms of export controls. That has been something which the Banking Committee has had jurisdiction over and has grappled with over the years. So, while I am sympathetic to the concerns that are raised, I just have to think that the issues of computer sales to foreign countries, as Senator COCHRAN has made clear to the Senate, is one that is so important that it really deserves much more analysis and much more debate than can be allowed for this floor amendment.

Indeed, as the chairman of the Banking Committee's International Finance Subcommittee, I believe that Senator GRAMS has offered an amendment that is worthy of our support, because what it would do, it would allow the entire Senate to ascertain, by way of the kind of comprehensive analysis that we need by the General Accounting Office as it relates to what security needs may be open at the present time, what concerns are related to the sales of the high MTOPS computers to Tier 3 countries and what impact they may or may not have on this legislation that has been proposed.

I think Senator GRAMS' amendment is the proper way to proceed, to give us an opportunity, not to just dive in after 45 minutes or 1 hour's worth of debate. We need the careful scrutiny, the careful study, to ascertain is there an availability of these computers to such an extent that this really becomes a meaningless impediment to our own trade? Will there be other countries in Europe and other areas that will rush to fill the vacuum? That is what I have been told. That may not be correct, but let's ascertain, let's find out. That is what Senator GRAMS' second-degree amendment would accomplish.

It seems to me that makes sense. It would require the Commerce Committee to publish a list of questionable military and nuclear end users, with certain exceptions when sources and methods would be jeopardized. That is what we have to know.

Let me depart just for a moment, if I might. If we want to do something as it relates to nuclear proliferation, let's say to some of those countries who are looking to get most-favored-nation trading status, or continue it, that you cannot be exporting—when we know they are exporting—the kind of missile systems and delivery systems which China is today exporting.

That becomes something of a controversy. Let's find out how many of my colleagues are going to be willing to stand up to the business interests who look the other way and don't look at our national security interests or don't look at the abuse of human rights and the crackdown on religious freedoms that take place now or the forced sterilization of people. That is

what is going on in China. They present, Mr. President, a very real and clear and present danger to the security of the world and to world peace by exporting to Iran and to other countries delivery systems and all kinds of enhancement of weapons systems which will endanger world peace.

If we really want to do something, let's take that up, but to simply come forward at this point in time without the proper kind of analysis—again, Senator GRAMS should be commended because his second-degree amendment would say, ''OK, let's make a detailed analysis,'' and not come down on the floor and raise this. I think this is what we have to do.

So not only on a jurisdictional basis would I have problems supporting the Cochran amendment, but basically on the basis of fact. I don't think we should just raise jurisdiction and say, ''That's within my committee, and, therefore, I want it to come through my committee.'' I sometimes get upset about that. If it is good legislation, so what if it didn't come through the committee process properly, particularly when we are talking about matters of national security. So I don't just raise that, but it does need the kind of careful thought, careful analysis that Senator GRAMS' amendment calls for.

For that reason, I hope that we support overwhelmingly this cautious approach to making analysis of whether or not the export of the MTOPS to Tier 3 countries should go through another process with Government bureaucrats analyzing and never coming to a decision. I think that would be a mistake.

Again, let's take a look at China: $50 billion surplus in trade, and yet she does what she wants, and she claims she wants friendship with us. I think on the altar of the almighty dollar, we just continue business as usual. I am more concerned about saying to them, ''You can't be our friend on one hand, you can't be enjoying a $50 billion trade surplus with us and then have a half a billion dollar industry that your generals are running,'' and we say, ''Oh, no, don't rock the boat.''

Do we really want to stop nuclear proliferation? Do we want to stop the export of deadly weapons systems? Let's do it when we have some clout, and we do have some clout. But I am afraid we will succumb to those who say, ''Oh, we can't do this, we'll lose a lot of jobs here in this country if we stand up to that kind of activity.''

Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Minnesota.

Mr. GRAMS. Mr. President, I yield another minute to my colleague from California and coauthor of this amendment.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I want to say to my colleague, it has been a pleasure working with him and his staff. I think that what we are offering here is a very wise alternative to an unwise policy. I am looking at the Tier 3 countries, and my colleague from Mississippi said there is no difference in what will happen to Israel under this amendment than under current law. It isn't true. Tier 3 includes Israel, Romania, who wants to join NATO, Latvia, and other countries. If a business wanted to buy a computer that fell in the 2,000 to 7,000 MTOPS range, which we have already established is mid-level computer, and we are going to have them right here in the Congress next year, then that business would have to wait an average of 107 days.

Mr. President, this Cochran amendment is kind of a ''Back to the Future'' amendment. It might have some application if it was offered many years ago, but it doesn't have any application now. I think the Grams-Boxer amendment, which has so much support from Secretary Cohen, from Sandy Berger, from Secretary Daley, from so many Senators on both sides of the aisle, I think that is the appropriate course to take. I really hope that our colleagues have listened, and I hope that the Grams-Boxer amendment prevails. I yield back to my colleague.

Mr. GRAMS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 55 seconds, and the Senator from Mississippi has 25 seconds.

Mr. GRAMS. Mr. President, in wrapping up the debate this morning, I want to, again, say that I believe the controls we have in place are working. We are taking a step backward if we approve the Cochran-Durbin amendment. The rest of the world is moving forward very fast. Anybody who has bought a computer in the last 2 years knows that technology has already passed them, and they have to look at a new system. But between the 2,000 and the 7,000 MTOPS level, computers are going to become so commonplace that any commercial industry or any office in this country will be able to buy them next year. These are well intended controls but, again, as I say, placed on the wrong levels. These are not supercomputers. These are not computers that countries would be looking for military end use. These are computers that are more for business and office use. I believe that putting any kind of restrictions or recontrolling these would be a step backward in our efforts to provide jobs and assistance.

Mr. President, I yield back the remainder of my time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, at the outset of the debate, I made a speech that lasted about 20 minutes. It is in the RECORD, so I am not going to make it again. I will try to make it in 25 seconds.

We are limiting export controls in a very small area of lethal computer technology. Please vote against the Grams-Boxer weakening amendment and support the Cochran-Durbin-Thurmond-Glenn amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the second-degree amendment No. 422. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 72, nays 27, as follows:

Rollcall Vote No. 166 Leg.]

YEAS—72

Akaka	Faircloth	Leahy
Allard	Feinstein	Levin
Ashcroft	Frist	Lieberman
Baucus	Gorton	McCain
Bennett	Graham	McConnell
Biden	Gramm	Moseley-Braun
Bingaman	Grams	Moynihan
Bond	Grassley	Murkowski
Boxer	Gregg	Murray
Breaux	Hagel	Nickles
Brownback	Harkin	Reed
Bryan	Hatch	Reid
Bumpers	Helms	Robb
Byrd	Hollings	Rockefeller
Campbell	Hutchison	Roth
Chafee	Jeffords	Santorum
Cleland	Johnson	Sarbanes
Conrad	Kempthorne	Shelby
Craig	Kennedy	Smith (OR)
D'Amato	Kerrey	Thomas
Daschle	Kerry	Torricelli
Domenici	Kohl	Warner
Dorgan	Landrieu	Wellstone
Enzi	Lautenberg	Wyden

NAYS—27

Abraham	Feingold	Mack
Burns	Ford	Roberts
Coats	Glenn	Sessions
Cochran	Hutchinson	Smith (NH)
Collins	Inhofe	Snowe
Coverdell	Inouye	Specter
DeWine	Kyl	Stevens
Dodd	Lott	Thompson
Durbin	Lugar	Thurmond

NOT VOTING—1

Mikulski

The amendment (No. 422) was agreed to.

Mr. THURMOND. I move to reconsider the vote.

Mr. FORD. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 420, AS AMENDED

The PRESIDING OFFICER. The question is on agreeing to Cochran amendment numbered 420, as amended.

The amendment (No. 420), as amended, was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. THURMOND. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I ask unanimous consent that at 1:15 p.m. Senator MURRAY be recognized and that debate on the Murray amendment No. 593 be limited to 45 minutes, to be equally divided in the usual form, and following the conclusion or yielding back of time, the Senate proceed to

vote on or in relation to the Murray amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I further ask unanimous consent that no amendments be in order to the Murray amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. Mr. President, I ask unanimous consent to proceed as in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. Mr. President, I thank the Chair.

(The remarks of Mr. ROBERTS pertaining to the introduction of S. 1000 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

AMENDMENT NO. 668

Mr. WELLSTONE. Mr. President, I call up amendment 668.

The PRESIDING OFFICER. The Senator has that right. The amendment numbered 668 is now the pending question.

Mr. WELLSTONE. Mr. President, I offer this amendment on behalf of myself and Senator HARKIN.

Mr. President, let me begin by asking unanimous consent that letters from the Disabled American Veterans, the Paralyzed Veterans of America, and the Vietnam Veterans of America be printed in the RECORD in support of this amendment.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DISABLED AMERICAN VETERANS,
Washington, DC, July 9, 1997.

Hon. PAUL DAVID WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the more than one million members of the Disabled American veterans (DAV), I express our strong support for your efforts to provide funding to enable Brookhaven National Laboratory to conduct internal dose reconstruction of veterans exposed to ionizing radiation (atomic veterans) and to transfer some $400 million to the Department of veterans Affairs (VA) budget for health care.

The DAV believes that $16.959 billion is inadequate—by at least $600 million—to enable VA to provide quality and timely health care to veterans. Your amendment would greatly enhance VA's ability to provide adequate health care to our Nation's sick and disable veterans.

Additionally, according to the VA, very few atomic veterans or their survivors have been successful in establishing that the veteran's disability, recognized as a ''radiogenic disease,'' is the result of the veteran's exposure to ionizing radiation in service. The main reason for the high failure rate is due to the current, inadequate and inaccurate method of reconstructing dose estimates which routinely indicate minimal radiation exposure.

Senator Wellstone, your amendment would ensure that America's atomic veterans will have available to them Fission Tracking Analysis, a more accurate method of dose reconstruction. Surely, fairness and equity in the adjudication of atomic veterans' claims is the very least that our Nation owes to these brave veterans who were used to advance our country's knowledge of the effects of ionizing radiation, unbeknownst to them.

Again, you have the full support of the more than one million members of the DAV in your efforts to ensure that the VA has adequate funding to care for America's sick and disabled veterans and to ensure that atomic veterans are provided with accurate internal dose reconstruction to support their claims.

Sincerely,

DAVID W. GORMAN,
Executive Director.

PARALYZED VETERANS OF AMERICA,
Washington, DC, July 9, 1997.

Hon. PAUL DAVID WELLSTONE,
U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of Paralyzed Veterans of America, please accept our full support for your efforts to increase needed funding for health care benefits and services provided by the Department of Veterans Affairs (VA).

As you well know, the proposed FY 1998 VA budget calls for unprecedented reductions in current and proposed appropriations for the health care system. The actual appropriation request freezes VA discretionary funding at a level far below current levels. The only relief given to VA over that period of time comes from a very uncertain plan allowing VA to keep fees and reimbursements from private insurance companies to help cover increasing health care costs. Even with this budget gimmick, VA hospitals will remain seriously under funded next year and in future years under the proposal.

Again, we appreciate your efforts to correct this serious funding shortfall, and urge all members of the Senate to support your amendment.

Sincere yours,

GORDON H. MANSFIELD,
Executive Director.

VIETNAM VETERANS OF AMERICA, INC.,
Washington, DC, July 9, 1997.

Hon. PAUL WELLSTONE,
U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of Vietnam Veterans of America (VVA), I want to thank you for your efforts to secure additional funding for veterans medical care. VVA is pleased to support your amendment to the DOD Authorization bill which would transfer $400 million to VA medical care.

As you know, the veterans community remains very concerned about the impacts of discretionary spending cuts on VA medical care and benefits processing. Both programs are in a state of major transition, implementing significant reforms and procedural improvements which will—in time—create enhanced efficiencies. The Senate and House budget reconciliation bills, as well as the appropriation bill moving through the House right now and soon to be considered in the Senate, are placing veterans health care in jeopardy by depending upon VA's ability to collect insurance monies for over $600 million over VA's FY 1998 health care budget. This is a very tenuous plan, as the program is untested and the targeted amount seems overly optimistic.

As it currently stands, VA's FY 1998 budget offers the veterans community no guarantee that the national commitment to provide care to our disabled and low-income veterans will be honored. Again, VVA appreciates your strong advocacy for veterans programs and urges the Senate to adopt your amendment. Veterans benefits, after all, are an ongoing cost of our national defense.

Sincerely,

GEORGE C. DUGGINS,
National President.

Mr. WELLSTONE. Mr. President, these letters are extremely important. They are from three very fine veterans organizations: The DAV, the PVA, and the Vietnam Veterans of America. The reason they are concerned, and, for that matter, all of the veterans community is concerned, is that in the budget resolution what we ended up putting into effect was a cut in veterans health care benefits.

Mr. President, the portion of those cuts that directly affect veterans health care is $400 million. What this amendment does is simply authorize the Secretary of Defense the ability to be able to transfer this $400 million into the veterans health care.

Mr. President, let me just say to colleagues that this is a huge issue. I am positive that if my colleagues, Democrats and Republicans alike, get a chance to talk with the veterans organizations and veterans communities in their States, they will find out that people are really indignant about this because it was never clear—I don't think it was clear to any of us—that, in fact, we were voting for actual cuts, actual cuts in veterans health care.

What this amendment does, it says, look, we have $2.6 billion in the Pentagon budget more than the Pentagon asked for; we can at least take a portion of this. And please remember, all this amendment does is give the Secretary of Defense the discretion or the authority to be able to transfer it. It is not a mandate. It seems very appropriate.

Mr. President, it seems like this amendment that Senator HARKIN and I have introduced is eminently reasonable because if you think about it, one of the huge concerns in the Veterans' Committee is very much linked to national defense. We are talking about men and women who have served our country. As we look at veterans health care and we project to the future, we want to make sure we do not end up sacrificing the quality of care for veterans.

I know what I hear back in the State of Minnesota, first and foremost, we have now an increasing number of gulf war veterans who are in need of help. This is yet an additional challenge for the VA. This is an additional challenge for our country to get the care to these people.

Mr. President, this amendment, again, just authorizes the Secretary of Defense to make this transfer of funding. These veterans were all about serving our country in defense of our country. If there ever was an opportunity to restore this funding for veterans health care, it is now. This Congress, whether it is this afternoon, or whether it is next week, or whether it is next month, is going to have to restore this funding. I don't think there was one Senator that was clear, when we passed this budget resolution, that we were actually directing $400 million of cuts in veterans health care.

I will just tell you that more and more and more of the gulf war veterans are going to be stepping forward in

your States, in our States, and they are going to be saying: We don't know what happened to us, but we do know that before we went and served, we could run 2 miles and we felt good, and now we can't walk a half mile, and we don't know what happened to us.

Over and over again, we are seeing report after report that makes it crystal clear that the gulf war veterans have every reason in the world to be indignant about not getting information that they need to get from our Government and, more important, about their need to receive some care. So what in the world are we doing cutting $400 million in the veterans health care budget?

In addition, Mr. President, let me simply point out that above and beyond the gulf war veterans, we have a situation where our veterans population is aging. More and more of our veterans are living to be 65 years of age and over. More and more of our veterans are living to be 85 years of age and over. And this is an additional strain.

So, Mr. President, I want to point out that, at the very time that veterans are showing up at VA hospitals in greater numbers, with increasing health care costs generally and prospects for greater medical costs specifically, at the very time that we have that going on, we have a cut in this budget resolution.

So, what we are saying in this amendment—and I will defer to my colleague from Iowa in a moment—we are saying, look, we have an excess $2.6 billion. It is more than the Pentagon asked for. We have a cut in veterans health care in the budget resolution to the tune of $400 million. It is clear it is going to have very negative consequences for veterans. The veterans community in our Nation—I have just three letters, from the PVA, DAV, and Vietnam veterans, and they are saying: You can't do that. What about those of us who are struggling with posttraumatic stress syndrome? What about the Persian Gulf veterans? More and more are asking: What happened to us? More and more of those veterans are asking for adequate care. What about the ever-increasing aging population among veterans at the very time there is going to be more of a strain? At the very time that we have more of a challenge, you have cut $400 million.

This is an opportunity to come through for the veterans community. I hope it will happen today. I hope we get a very strong vote today. I say this to all my colleagues. One way or another, we are going to have to restore this funding. This amendment, if you just think about the wording, just provides the Secretary of Defense with the authorization to transfer some of this funding to VA health care—$400 million—and it makes eminently good sense because, after all, these veterans who come and seek health care within our VA health care system were the very men and women who served our country in defense of our country.

Mr. President, how much time do we have left?

The PRESIDING OFFICER. There is no time agreement.

Mr. GREGG addressed the Chair.

Mr. WELLSTONE. Mr. President——

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. WELLSTONE. Are we now debating this amendment?

Mr. GREGG. Mr. President, if the Senator from Minnesota will yield for a question, I simply have about 3 minutes I would like to talk, and it has nothing to do with this amendment.

Mr. WELLSTONE. Mr. President, I would rather not yield the floor at the moment. But if my colleague wants to speak—do we have other Senators on the floor who want to speak on this amendment? My colleague from Iowa wants to speak on the amendment. If Senators want to cover other topics for a short period of time, I would be more than willing to defer to them. We want to try to make our case here before the vote. Can I ask my colleagues whether they are interested in debating this amendment?

Mr. GRAMM. Mr. President, I want to speak about 10 minutes on the Levin amendment. I would certainly be willing to allow the Senator to maintain his right to the floor, but this is unusual procedure. The Senator doesn't have a right to control the floor. He has a right to speak, but he doesn't have a right to control the flow of debate for others. I am willing to accommodate him, but this is an unusual procedure. Being the accommodating person that I am, I am willing to do it. At some point, we might have to ask if the Senator is through speaking and let somebody else speak.

Mr. WELLSTONE. Mr. President, my amendment is pending now, I say to my colleague from Texas. The Levin amendment is not pending. I have not yielded the floor yet, but I would be more than willing——

The PRESIDING OFFICER. The Chair advises the Senator from Minnesota that he can yield to his friend from Iowa for a question.

Mr. HARKIN. Mr. President, I suggest that we follow the normal rules. If the Senator wants to speak, we can go back and forth. That would be fine with this Senator.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Senator from New Hampshire be allowed to speak and the Senator from Texas for 10 minutes and then that be followed by the Senator from Iowa.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Hampshire is recognized.

WARWICK MILLS OF NEW HAMPSHIRE WEAVED THE AIR BAG TO PROTECT THE PATHFINDER ON MARS

Mr. GREGG. Mr. President, I rise on a matter that is not related specifically to this bill, although it has to do with the issue of national defense and technology, and that is the issue of our probe which is now on the planet Mars. What an exceptional thing it is, as we watch the TV pictures come back as they analyze the rocks of Mars and determine that this planet is a fascinating place. We set history and we can investigate the universe.

All of this is possible because of a product made in New Hampshire. I wanted to congratulate the Warwick Mills of New Ipswich, NH, a small company started in 1888. NASA decided they wanted to land this probe on Mars, and they had to go to the Warwick Mills to be able to do it. It is one of the few places in this world that still weaves in the old-fashioned way. They were able to put together this fabric. This is a picture of the probe on Mars and the fabric that allowed the probe to set down on Mars without being damaged, and it allows it now to wander around the planet Mars and learn about the history of that extraordinary planet and to further the knowledge of man dramatically.

So from a little mill in New Ipswich, NH, started in 1888, using old-fashioned weaving machines, we sent the material to Mars. So on behalf of the State of New Hampshire, I congratulate this little firm that is doing such an extraordinary job to advance the knowledge of America and the world.

I yield back my time.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, in response to what our colleague from New Hampshire has stated, it is a testament of the genius of small business that this wasn't a big scientific lab somewhere, this wasn't NASA with all of its billions; this was a small, independent business. I think we can all rejoice in that.

Mr. GREGG. I think the Senator from Texas has probably been to Ipswich and may have visited this small plant. We appreciate his interest. I thank the Senator.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 778

Mr. GRAMM. Mr. President, we have a pending amendment, the Levin amendment, which I am strongly opposed to. Let me just basically state what I would like to do. I would like to set the issue in perspective. I am now working with the Federal Prison Industries to see if there might be a second-degree amendment they could support. I intend to try to work with Senator LEVIN and his staff to see if something can be worked out. But I am strongly opposed to this.

Let me begin with Alexis de Tocqueville and work up to the Levin amendment. When Alexis de Tocqueville came to America, he came

to America to study American prisons. He ended up writing a book about democracy in America, which turned out to be the greatest chronicle ever written of our great country. But one of the things Alexis de Tocqueville wrote in his other book about prisons was that we had the model prison system on the planet because we had a mandatory work requirement. As a result, prisoners all over America worked, generally, 12, 14, 16 hours a day. De Tocqueville noted that they worked hard, but that it probably made life bearable, and that it would have been worse had they sat idle in prisons.

In fact, Mr. President, we had the model prison industry in the world until the Great Depression. During the Great Depression, we ended up in a period of great economic unenlightenment, passing a series of bills that destroyed the greatest prison industry that the world has ever known. We passed the Hawes-Cooper bill in 1929, we passed the Sumners-Ashherst bill in 1935, and we passed the Walsh-Healey bill in 1936. Here is what these bills said. They said that nothing produced by prison labor can be transported across State lines without losing the protections otherwise afforded interstate commerce. They said nothing produced by prison labor can be transported across State lines to be sold in the marketplace, and they limited the use of prison labor. In other words, if you haven't figured it out yet, these three bills criminalized prison labor in America.

As a result, today, we have the absurd situation that we have 1.1 million people in State and Federal prisons, almost all of them young men in the peak work period of their life and because of special interests—business and labor, I might add—we are forcing the American taxpayer to pay $22,000 a year to let someone sit idle in air conditioning watching color television in prison, while American workers break their backs working to pay to keep these people in prison.

Now, the only thing under Federal law that we can ask the Federal prisoners to do is to make things to sell to the Federal Government. They can't produce things to sell in the marketplace. We spend more to keep somebody in prison than we would sending them to Harvard University. That is not even counting the cost of building the prison. Now, the Senator from Michigan would say that we are going to come in and disrupt the system whereby we force prisoners to work, to make furniture for the Government, or to make other things for the Defense Department.

Now, if our colleague was really talking about procurement reform, I would be a supporter. If this were a normal debate about price competition, then I would have no objection to his amendment. But our colleague, with all the talk about competition, is not talking about removing restrictions that would let goods produced by prisoners be sold on the open market. What he is proposing is that we disrupt the Federal Prison Industries as they currently exist.

Now, let me review for you, if I may very quickly, how the Federal Prison Industries system works. How the Federal Prison Industries works is basically that the Government goes out and gets bids on goods and establishes a market price, a fair procurement price. Then they have to go to the Federal Prison Industries and on the basis of an established price they have to give the prison system the right to produce these goods.

Might I note that Federal Prison Industries has a procedure where, if the Defense Department or any other part of Government is not satisfied with the work they do, or with the price, they can appeal for a waiver.

Let me read to you from a letter that is signed by the Assistant Attorney General who oversees the Federal Prisoner Work Program.

> Federal Prison Industries does not abuse its mandatory source status. If a customer feels that Federal Prison Industries cannot meet its delivery, price, or technical requirements, the customer may request [the customer is the Government] a waiver of the mandatory sourcing.

Let me give you a concrete example because it is relevant to the Senator's amendment.

If Federal prisoners are working to produce desks for the Government, and the Government is not satisfied with the price or with the quality, they can ask for a waiver so they don't have to buy the desk made by prison labor.

Here are the facts. These waivers are processed quickly. It is an average of 4 days between the time the waiver is requested and when it is granted, or denied, and in 1996 Federal Prison Industries approved 90 percent of the requested waivers by Federal agencies.

Mr. President, granted, this is not a price competitive system. If this were any other procedure, the Senator's amendment would make perfectly good sense. Let's have competitive bidding. Let's have it at the lowest possible price.

But we have 1.1 million people in State and Federal prisons. Because of the power of organized labor and special interest business who are more worried about their profits and their benefits than they are about the taxpayer, we are in the absurd position that we have 1.1 million people in prison, all prime working age males, for all practical purposes, and they can't produce anything of value and sell it on the world market to help defray the cost of keeping them in prison. So the taxpayers pay $22,000 a year just to keep them in prison, not counting the cost of building the prison. The only work we are getting out of these people under this absurd situation is that we can force them to work through a work program to produce things like furniture for the Federal Government.

The Senator comes along, and says, ''Let's eliminate that system, and let's have price competition.'' Well, the problem, as we all know, is that the money that is going to the prisoners is going to do things like pay for victims restitution, and court-ordered fines. This is the only productive employment we have for people in Federal prisons. This isn't a procurement issue. It is a criminal justice issue.

We ought not to be dealing with this provision on this bill. Let me read for you from the same letter about what we know about people who work in prison versus those who do not work in prison.

> Findings demonstrate that inmates who work in Federal Prison Industries in comparison to similar inmates who do not have Federal prison industry experience have better institutional adjustment and after release are significantly more likely to be employed and significantly less likely to commit another crime.

Also, as this letter, which I will put in the RECORD, demonstrates over and over again, this is a law enforcement and security issue. If we have all of these young males in prison, locked up, sitting idle, it is a powder keg ready to explode. The only productive source we have to put them to work, believing in the old Franklin adage, ''Idle hands are the devil's workshop,'' is making goods for the Government.

If the Senator wants to try to refine the system, and work with Federal Prison Industries, I am willing to work to see if we can do a study and look. How competitive is the price? Could the system be improved? But the idea that we are going to destroy the last vestiges of work in prison for some individual special interest for private manufacturers of furniture, or private manufacturers of anything, simply neglects the fact that prison labor is an important part of running a prison. It is the important part of preserving order. It is the important part of vocational training. It is the important part of rehabilitation.

It is dangerous to have 1.1 million young men sitting in prison with nothing to do. It is also breaking the back of American workers to pay for it.

What we ought to be debating is not the Senator's amendment to kill what is left of the work requirement. What we ought to be debating is repealing these three Depression-era laws and putting 1.1 million prisoners to work, work them 10 hours a day, 6 days a week, and make them to go to school at night. That is what we ought to be doing. In fact, when I was chairman of the Commerce, State, Justice appropriations subcommittee, we passed a bill in the Senate to do exactly that. And then when all of the special interests got geared up it died in conference and never became law.

So I think that this is a very dangerous amendment. This is something that ought to be dealt with by the Judiciary Committee. This is a criminal justice issue. If you want to argue this is a procurement issue, I can't argue against the Senator. If we were simply

talking about procurement competitive bidding, it is obviously the way to go. But we have 1.1 million people in prison. They don't have anything to do. And to the extent that we can put them to work making desks or other furniture for the Federal Government, we are at least putting them to work. We are maintaining order in our prisons. We are saving money. We are paying money for victims restitution. We are paying money for court-ordered fines.

So to act as if this is just another procurement issue, clearly it is not. Every time these people go to work, we have to count the tools when they leave to be sure they are not taking something that can become a weapon. We basically run it without much capital because we want to use as many people as we can because we are not able to have them produce things to sell on the market. We have elaborate procedures that we have to go through to see that they don't compete with private industry and to minimize their impact. All of these things drive up costs.

But the point is when you have 1.1 million people in prison, State and Federal, even if it is a very inefficient system by which you have them work, you still benefit by having them work. They still benefit by working.

So I think this is a very important issue and I would like to ask to have the opportunity to see if we can work something out.

I have a new letter that just came over a minute ago from the Assistant Director of Industries, Education and Vocational Training in the Federal Bureau of Prisons. I ask unanimous consent that it be printed in the RECORD.

Here is what it says, talking about the Levin amendment. ''* * * it would have a devastating effect on Federal Prison Industries, Inc. and on the ability of the Federal Prison Industries to support the mission of the Federal Bureau of Prisons.''

I concur with that judgment. I would like to have this put in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF PRISONS,
Washington, DC, July 10, 1997.

HON. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I have reviewed the attached draft language, which I understand was introduced last night by Senator Levin as an amendment to the Defense Authorization bill.

This language is virtually identical in its effect to language previously proposed by Senator Levin (S. 339). For reasons previously explained in a letter from Assistant Attorney General Andrew Fois to Senator Thurmond, it would have a devastating effect on Federal Prison Industries, Inc. (FPI) and on the ability of FPI to support the mission of the Federal Bureau of Prisons.

Sincerely,

STEVE SCHWALB,
Assistant Director, Industries, Education and Vocational Training.

Mr. GRAMM. Mr. President, I am not arguing that having real full-blown price competition would not make sense under virtually any other circumstance. But when we have literally a captive labor force at the State and Federal level of 1.1 million people, it would be absolutely suicidal from a societal point of view to limit the last work that these people are allowed to do in the name of price competition when, in fact, if we wanted to have price competition—in fact, let me say I would support the Senator's amendment, if he would add to it that we would repeal all of the provisions that limit the ability that we have and that the States have in selling things produced by prisoners. If we could allow prisoners to sell things on the open market subject to the restrictions that they not sell it locally and that they not glut the market, with that as a second-degree amendment, I would support this amendment. Because if we didn't depend solely on Government work to work prisoners, then I would see a broader extension for competition.

But this is the only thing that Congress allows these people to do. What we are doing is just creating a hothouse for criminal behavior. These people sit idly in prison with nothing to do because our laws prevent them from working and then they get out and they commit more crimes. They impose havoc and death on our society, and then we put them back into prison.

So, if I sound that I am emotional about this issue, I am. This is a very, very serious issue.

So I would like to have a chance to work with the Senator. I would like to see if we could work out a second-degree amendment. But I intend to resist this amendment. If we can't work something out, we are going to have to have cloture on this amendment. Those are my rights as a Senator. Those are the rules of the Senate. And I intend to stand by my rights and abide by the rules of the Senate on this issue.

It is a very important issue. I am not sure that Members have thought this thing through or know really anything about our problems with Federal prison labor and State prison labor. But fortunately, having been Justice Subcommittee chairman when I was on the Appropriations Committee, I know it all too well. I am adamantly opposed to this amendment.

I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, talk about emotions. We ought to share the emotions of the business people who can't compete, who aren't allowed to compete on products that are being bought by the Federal Government—their Government using taxpayers' money paying more for products, created in a prison by prisoners, rather than by people outside of prison, who are not allowed to compete because of the monopoly which is given to Federal Prison Industries.

You talk about raw emotions. Try a Vietnam vet who is trying to sustain a small business who isn't permitted to sell his product to the Government at a much cheaper rate than the Government is paying with Federal Prison Industries. You want to talk about raw emotions. Put yourself in the position of the small business person.

Listen to this one from Access Products from Colorado Springs. They couldn't bid on an Air Force contract for toner cartridges because the FBI exercised its right to take the contract on a sole source basis.

This is a letter from a small business person in Colorado.

> Federal Prison Industries bid on this item, and I was told that the award had to be given to Federal Prison Industries. Federal Prison Industries won the award at $45 per unit. My company's bid was $22 per unit. The way I see it the government just over-spent my tax dollars to the tune of $1,978. Do you seriously believe that this type of procurement is cost effective? I lost business, my tax dollars were misused because of unfair procurement practices mandated by Federal regulation. This is a prime example, and I am certain not the only one, of how the procurement system is being misused and small businesses in this country are being excluded from competition with the full support of Federal regulation.

Do you want to talk about emotions? My good friend from Texas: How about the Vietnam vet trying to run a furniture business? This is what he testified to in front of the House. ''Is it justice that Federal Prison Industries would step in and take business away from a disabled Vietnam veteran twice wounded fighting for our country effectively destroying and bankrupting that hero's business which the Veterans Administration suggested that they enter?''

My good friend from Texas usually believes in competition. I have heard him on this floor as eloquently as anyone talking about competition. That is all we are talking about here. We are only talking about allowing people to compete to sell at the lowest price.

We are not trying to say that Federal Prison Industries should not be able to compete on products that are sold to the Federal Government. Of course, they should. But should not the small businessperson paying the taxes be allowed to compete?

We talk about emotions on this floor and feeling emotional about a subject. Put yourself in the position of the small businessperson whose price is lower. Despite the fact that prisoners' wages run from 23 cents an hour to $1.15 an hour, despite the fact that Federal Prison Industries pays no income taxes, no need to provide health or retirement benefits to workers, a private businessperson still, in many cases, is able to produce that product more cheaply and is told: Sorry, it's got to go to Federal Prison Industries. He's a clothing producer; he's a textile producer; he's a product producer, and he

is told Federal Prison Industries has the monopoly. They have exerted their right to prevent you from coming in at a lower price. There is an established price, and even though you can beat it, private businessperson, sorry.

With all of the advantages, the price advantages that Federal Prison Industries has—cheap labor, no medical cost, no income taxes—if they can't beat a commercial price for a product, then the taxpayer should not make up the difference.

Now, this is a very fundamental issue. Of course, prisoners should work. But if they cannot with all those advantages produce a product more cheaply than the commercial world can produce it, they ought to be looking at other products. They ought to be looking at things which we import and are sold to the Government. There they will not be unfairly displacing American businesses and American workers who can produce something more cheaply than can Federal Prison Industries.

Now, that is what this issue is about, and I want to make sure that we all focus on this. This is an issue of where a business can provide the product more cheaply. This is not an amendment which says that where an American business can supply a product, Federal Prison Industries should not be allowed to supply it to the Government. That is not this amendment. This is simply an amendment which says where the commercial provider can offer a product to the Government, its Government, our Government at a cheaper price than Federal Prison Industries, Federal Prison Industries should not be able to determine that its product at a higher price must be bought by the Federal Government.

Now, we are talking a lot of bucks here. The Defense Department is the biggest purchaser. This is what Master Chief Petty Officer Hagan stated when he was—he is from the Navy—testifying in front of the House National Security Committee. This is his testimony about the Federal Prison Industries monopoly on Government contracts and how that monopoly has undermined the Navy's ability to improve living conditions for sailors.

How is that for emotions? Are our sailors entitled to the best that can be bought at the cheapest price? Or are we going to say that because Federal Prison Industries hasn't figured out what they can produce which is now imported or what they can produce which now has a higher cost—and the recycling business is a wonderful example of that—because Federal Prison Industries has not figured out what can be produced which does not in a noncompetitive way displace American businesses and American labor, that is OK.

It is not OK.

This is what the Navy witness said.

Speaking frankly, the FPI product is inferior, costs more, and takes longer to procure. FPI has, in my opinion, exploited their special status instead of making changes which would make them more efficient and competitive. The Navy and other services need your support to change this law.

We are here on a defense bill. This is what the Navy representative testifying in front of the House said.

The Navy and other services need your support to change this law and have FPI compete with private sector furniture manufacturers under GSA contracts. Without this change, we will not be serving sailors or taxpayers in the most effective and efficient way.

We have had estimates now on the cost to the taxpayers that results from this monopoly where Government agencies are forced to buy products at higher than the lowest bid. The Deputy Commander of Defense Logistics wrote in May 1996 that Federal Prison Industries had a 42 percent delinquency rate in its clothing and textile deliveries compared to a 6 percent delinquency rate for commercial industry.

Now, for this record of poor performance—that is just the performance statistics: 42 percent delinquency on Federal Prison Industries versus 6 in the private sector—for this record of poor performance, Federal Prison Industries charged prices that were an average of 13 percent higher than commercial prices. And 5 years earlier, the Department of Defense inspector general reached the same conclusion, reporting that Federal Prison Industries contracts were more expensive than contracts for comparable commercial products by an average of 15 percent.

Since the Department of Defense bought about $150 million last year from Federal Prison Industries, this overpricing is costing a lot of money, and that is the issue here.

Now, the good Senator from Texas is correct, that this bill does not address a problem that he sees. He would like to see Federal Prison Industries be able to use prison labor at from 23 cents an hour to $1.15 an hour with no medical benefits and no income tax, he would like to see products produced by Federal prison labor out in the commercial market, and he calls people that do not want to deal with that greedy. I do not, any more than I think it is wrong to tell China that if they want to produce products with prison labor, they are not going to be able to use those products to displace American workers and American businesses. I do not think that is wrong.

We have a fundamental difference on that issue. And he is sure right. This bill does not reverse those laws because once you did that, you would have businesses in this country going bankrupt in huge numbers because they would have to be dealing with 23-cents-an-hour prison labor. And we have decided as a people that that is not fair to American business. It is not fair to American business either that even though they can sell a product at a cheaper price to an American Government agency, it will not be allowed to do so where Federal Prison Industries has established a monopoly and asserted that monopoly for that item. It can sell more cheaply and the odds are pretty good the product will be better. The agency will want to buy it, but it is told, sorry, you can't buy at less and frequently a better product because Federal Prison Industries has decided to assert a monopoly in that area.

There are areas where Federal Prison Industries can move. They have been urged to do so. We have had meeting after meeting, forum after forum, summit after summit with Federal Prison Industries. Of course, you want to keep people in prison busy, but you have to keep them busy in a way that is not unfairly and anticompetitively dealing with American businesses.

And, by the way, that is why the Chamber of Commerce and the National Federation of Independent Businesses and the National Association of Manufacturers support this amendment. And that is why it has such strong bipartisan support, cosponsored by Senators ABRAHAM, ROBB, HELMS, KEMPTHORNE, DASCHLE, and BURNS. It has bipartisan support because this is a procurement issue. It is a competition issue. It is a fundamental, commonsense, fairness issue that an American business ought to be allowed to compete with Federal Prison Industries for sales to its own Government.

If a commercial product is costing more than the prison product, that may not be fair, but that is not touched by this amendment. This amendment only goes to the cases where the commercial product is cheaper than the Federal Prison Industries product.

Mr. President, it is time for the mandatory sourcing rule of Federal Prison Industries, this monopoly that they assert, although their products are more costly, to be changed. There is no better bill to change it on than a defense bill since the Defense Department is the biggest object of that monopoly. The testimony before the House committee is clear that our service personnel are not being given the products that they deserve—best quality, cheapest price—because of an artificial monopoly which is allowed to exist.

It is not supposed to be this way, by the way. The theory of this monopoly would be that if Federal Prison Industries can come in cheaper than a commercial product, then it would be allowed to do so because of the work which we want our prisoners to be engaged in. But it is being abused. It is being abused. And when Federal Prison Industries asserts that monopoly in cases where its prices, despite all of its advantages, are higher than the commercial world, then they should not be allowed to continue to deal with the business world and the workers of America in that way.

Just this morning my staff received a telephone call from an acquisition official at an agency that I am not going to name because I do not want to get them in any trouble, but following last night's debate this acquisition official

asked when this Federal Prison Industries amendment was likely to be enacted. Of course, we do not know whether it will be enacted. But the official explained that their agency was in the process of making a substantial purchase of office furniture and was told that it would have to buy it from Federal Prison Industries. They requested a waiver from Federal Prison Industries. That request has been denied. The agency in question has had a history of problems with Federal Prison Industries, the official said. ''Quality, price, delivery, timing, you name it.'' And when my staff explained that we do not know whether the amendment would be enacted, much less when it would be enacted, the official stated, ''Well, we would probably be willing to wait a few months because we certainly don't want to get stuck with their stuff.''

Now, the good Senator talked about waivers, and that is fine. But we ought to use the marketplace. He has frequently said, and I agree with him, at least in most circumstances, that we ought to look to the commercial world to provide us the best products at the cheapest prices. We make an exception with prisoners because if they can produce a product, even though it is cheaper, we say it is important that we keep people working and we will allow that product, providing it is at least no more expensive than the commercial product, we will then—that was the intent—allow that product to be the one which is bought by our Government.

And there is even some unfairness in that if you are in the business trying to compete with that cheap labor. But what this amendment does is simply say where the commercial product, despite all of those advantages of 23 and 40 and 50 cents an hour and a dollar an hour labor and none of the benefits and no income tax, despite all those benefits, when an American business can produce a product more cheaply than Federal Prison Industries, then surely it is unfair, anticompetitive for that product to have to be bought from Federal Prison Industries.

Mr. President, I thank the Chair, and I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Texas.

Mr. GRAMM. I will withhold.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the amendment offered by my friend, Senator LEVIN, would devastate the function of the Federal Prison Industries, Inc., known as FPI.

FPI is the Bureau of Prisons' most important inmate program. It keeps inmates productively occupied and reduces inmate idleness and the violence and disruptive behavior associated with it. Thus it is essential to the security of Federal correctional institutions, the communities in which they are located, and the safety of Federal correctional staff and inmates.

FPI has no other outlet for its products than Federal agencies. The constraints within which FPI operates, cause it to be less efficient than it private sector counterparts. Private sector companies strive to obtain the most modern, efficient equipment to minimize the labor component of their manufacturing costs. FPI, on the other hand must keep its manufacturing process as labor intensive as possible in order to employ the maximum number of inmates.

Since FPI operates its factories in secure correctional environments, it faces additional constraints that limit its efficiency. For example, every tool must be checked out at the beginning of the day, checked in before lunch, checked out again in the afternoon, and checked in at the end of the day. The costs associated with civilian supervision and numerous measures necessary to maintain the security of the prison add substantially to the cost of production.

It should be noted that the average Federal inmate has an eighth grade education, is 37 years old, is serving a 10-year sentence for a drug-related offense, and has never held a steady job. According to a recent study by an independent firm, the overall productivity rate of an inmate with a background like this is approximately one-fourth that of a civilian worker.

FPI must have some method of offsetting these inefficiencies if it is expected to acquire a reasonable share of Government contracts and remain self-sufficient. The offsetting advantage that Congress has provided is the mandatory sourcing requirements in section 4124 of title 18, United States Code. This section requires that Federal agencies purchase products made by FPI as long as those products meet customer needs for quality, price, and timeliness of delivery. If the product is not currently manufactured by FPI, or if the FPI is not competitive in quality, price or timeliness, Federal Prison Industries will grant a waiver to allow the Federal agency to purchase the product from private sector suppliers.

The Federal Prison Industries preference in title 18 is essential if this program is to prevent inmate idleness on a large scale. Increasing Inmate idleness will risk unrest affecting the safety of prison security personnel and the surrounding communities.

I urge my colleagues to reject the Levin amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I want to respond to Senator LEVIN's point. I think he gave a great argument for price competition, but we are not talking about price competition. Our dear colleague invokes the name of business people and what they want. But let me remind anybody who is objectively considering this debate, when I brought to the floor of the Senate legislation to repeal three Depression-era laws that force us to idle 1,100,000 prisoners who ought to be working 10 hours a day, 6 days a week, to help pay the $20 billion cost of keeping them in prison, American business and American labor were up in arms. They were up in arms because they do not want prisoners to work.

I can tell you taxpayers want them to work. These special interest groups that represent business and the union bosses in Washington, DC, are against it, but the working people who are paying $20 billion a year in taxes to keep people in prison want these prisoners to work. If we held a national referendum on this issue, I believe by a 10-to-1 margin, Americans would say put these 1,100,000 basically young men to work, have them produce things, do it in a way that you don't glut the local market, do it to displace imports, do it to make component parts, but put them to work to help pay the cost of keeping them in jail and to acquire skills they can use when they get out.

So I would be, No. 1, more convinced by our colleague from Michigan that these businesses are interested in competition if they weren't the same people who were up here saying don't let prisoners produce anything to sell in the marketplace. They don't want to compete. They have already stopped competition. What they are trying to do is stop the last prison inmate work being done in America, and this cannot be allowed to happen.

In terms of displacing imports, if you try to that, as I did, you find that it is prohibited by law and treaty. As remarkable as it sounds to working Americans, it is criminal to make prisoners work to produce anything of value which can be sold in the marketplace. In the Depression, Congress passed a law that idled millions—well, it idled hundreds of thousands of prisoners then. It now idles 1,100,000 prisoners. I would be a strong supporter of a provision that sought to identify industries with high import penetration and allow prisoners to make those products. But I would virtually guarantee that the same people who are for this amendment would oppose that amendment. Because basically, there is strong opposition among groups that feel they might lose something to making people in prison work. It is very narrow in its perspective, it is very shortsighted, but it clearly is out there.

As far as making prisoners work at 22 cents an hour, we are using the profits from this industry to pay victims' restitution, to pay court-ordered fines, and I think we have a right to make prisoners work. We are paying, after all, their room and board. We are paying $22,000 a year at the Federal level, not even counting building the prisons. I would make them work for nothing, 10 hours a day, 6 days a week if that is what it came down to. Actually it's more efficient to have a little incentive pay and have them volunteer to work.

Let me go back to the central point of debate here, and let me read from

the Office of Legislative Affairs of the Justice Department, Assistant Attorney General:

The Federal Prison Industry is the Bureau of Prisons' most important, efficient and cost-effective tool for managing inmates. It keeps inmates productively occupied and reduces inmate idleness and the violence and disruptive behavior associated with it. Thus, it is essential to the security of Federal prisons and the communities in which they are located, and is essential to the safety of Bureau of Prison staffs and inmates.

When we are talking about people and how they are affected, let me give you some statistics. In the State of South Carolina—our distinguished chairman here is from the State of South Carolina—for those prisoners who have worked in prison industry, the probability that when they get out they are going to commit a crime again and end up back in prison is 2 percent. For those who have not worked in prison industry it is 35 percent.

In the State of Florida the recidivism rate, people coming back to prison who have worked in prison industries, is 11 percent; it is 26.7 percent for people who have not worked in prison, not acquired a work ethic, not acquired any skills. In Wisconsin it is 11 percent for people that worked in prison industries, it is 22 percent for those who did not. In Kentucky 36 percent come back to prison versus 65 percent who do not work in Federal Prison Industries.

So, if we are talking about price competition let's have it. Let's amend this amendment and say that we are going to let prison labor work in any area, say, that has at least a 30-percent import penetration. That would include automobiles, it would include a lot of industries. And let's put 1.1 million people to work and let's set a goal: Within 10 years they are going to pay the full cost of being in prison by working. Let's turn our prisons into industrial parks. Let's have it so that industries are lining up to hire people when they are getting out of prison. That's what America needs. That's what we ought to be doing.

Every year, I have a dear colleague who offers an amendment barring trade with countries that use prison labor. And every year I wonder why we can't make our prisoners work. They would benefit from it. We would benefit from it. But what we are talking about here is killing off the last vestige of prison labor. We don't let them produce anything that can be sold, we simply let them work and produce things for the Government.

There is a variance between what our colleague says and at least what the Federal Prison Industries report in their published data. One of the things that I intend to do is offer a second-degree amendment to have a study, so we actually know the facts. But here is what they say:

During fiscal year 1996 [the most recent year where we have complete data] Federal Prison Industries received more than $446 million worth of waiver requests.

These are from agencies which did not want to buy things from prisons. They wanted a waiver to go out and buy it in the private sector of the economy.

Ninety-two percent of these proposed waivers were granted, resulting in $410 million reallocation of Federal prison business to the private sector.

The law clearly says that prison industries have to meet quality requirements, have to meet the price set by the Government as a competitive price. If there is a problem there, let's fix it. But we cannot claim we are for competition when we don't let prisoners, as a matter of law, produce something of value and sell it on the public market. I just simply say when, in South Carolina, making prisoners work contributes to a dramatic drop from 35 percent who go back to prison to 2 percent going back to prison, I think it is worth something making these people work. If we have them work and we pay victims' restitution, is that not of some value? If they acquire skills, is that not of some value?

So, I would just like to conclude by saying what a great tragedy it is that here we are debating ending prison labor rather than debating expanding it. Component parts that are now made all around the world ought to be made in Federal and State prisons. We ought to be working these people 10 hours a day, providing them a little incentive pay so they can get little extras and using the rest of the money to pay for victim restitution, court ordered fines and to help pay the $20 billion a year the taxpayers are paying to keep people in prison. But, instead, we are debating a proposal to end prison labor for all practical purposes by taking away their Government business.

When you are dealing with prisoners, as the Senator from South Carolina said, it is a completely different structure because you have to supervise what they are doing, you have security requirements, and as a matter of principle, the prison industry has to be operated inefficiently because we have hundreds of provisions that limit their ability to do anything, to be in any way competitive with the private sector.

We require them to use the lowest technology, because we have far more workers than we have work, because of law that prevents people from working. So they are using, basically, hand labor because we are trying to work as many as we can. We could fix this by repealing existing laws.

I would like to propound a parliamentary inquiry. Would it be in order for me to submit an amendment to the Levin amendment?

The PRESIDING OFFICER. The pending amendment is the amendment of the Senator from Minnesota [Mr. WELLSTONE].

Mr. GRAMM. Mr. President, I ask unanimous consent to set aside that amendment temporarily so that I might offer a second-degree amendment to the Levin amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 794 TO AMENDMENT NO. 778

Mr. GRAMM. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 794 to amendment No. 778.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all in amendment No. 778 and insert in lieu thereof the following:

''The Department of Defense and Federal Prison Industries shall conduct jointly a study of existing procurement procedure regulations, and statutes which now govern procurement transactions between the Department of Defense and Federal Prison Industries.

''A report describing the findings of the study and containing recommendations on the means to improve the efficiency and reduce the costs of such transactions shall be submitted to the U.S. Senate Committee on Armed Services no later than 180 days after the date of enactment of this act.''

Mr. GRAMM. Mr. President, what this amendment does, very simply, is it mandates that the Federal Prison Industries, jointly with the Department of Defense, conduct a study of our whole procurement system, as it relates to Federal Prison Industries and the Defense Department, to look at how competitive the system is, how we can make it more competitive, how we can make it more efficient and, basically, ascertain the facts.

If we listen to Senator LEVIN, prisons are noncompetitive, producing low-quality material at inflated prices. But yet, when we look at data provided by the Justice Department, in 92 percent of the cases where people have said we don't want to buy this product, they have granted the waiver to bypass Federal Prison Industries and buy in the private sector.

Somewhere there is a disconnect over the facts. I always try to teach my children to argue about principles and theory, don't argue about facts. I don't know what the facts are. I know what the Bureau of Prisons says. I know what Senator LEVIN says. I have great respect for both, but they don't quite agree. One of the things the study would do is to allow us to look at it, to acquire information and to try to bring together all of the factors that we have to decide here.

This is a tough issue. Let me say to Senator LEVIN that I don't think there is a Member of the Senate who has a stronger record in supporting competition, privatization, and price competitiveness than I. Maybe there is, but I don't think so.

This is a criminal justice issue. It is not as if we have 1.1 million people

here who can go off and do something else. We have them locked up in prison, and they are sitting there idle costing us $22,000 a year apiece to keep in prison. If we can have them work and get some value out of it in victim's restitution, in training, any assistance we get in paying for their incarceration, I view that as God's work and something that I want to do.

Obviously, in any argument, there is another side to it, and the other side here is the people who would rather have the business that prisoners are doing. But I simply remind my colleagues, and we probably have overdebated this issue, but I remind my colleagues that we have 1.1 million people in prison. We are spending billions of dollars to keep them there, and because of our existing laws, they are basically in idleness.

This is a dangerous situation, and I think when you are dealing with this kind of situation, you can't simply say we are not going to let them compete in any other area but we are going to make them compete for Government business. Government work is all they are allowed under law to do.

So if we are going to change this, we better understand what we are doing, because I would hate to see a situation where, in South Carolina, people who are working in prison, only 2 percent of them come back to prison when they get out; 35 percent of them come back to prison who don't work. When we are talking about compassion and concern, remember these people who are coming back to prison are people who have killed people and robbed people and molested people. I think this is a very important issue. I think my amendment allows us to get the facts and make a rational decision. I hope my colleagues will support this amendment. I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, the Senator from Texas made a number of points, and one of them particularly I want to comment on. He said, ''If there is a problem of the price not being competitive, then let's adjust it.'' That is this amendment. That is exactly what this amendment does. There is a problem, and the problem is that even when the price of the prison product is more than the commercial product, that is, noncompetitive, nonetheless, Federal Prison Industries can direct the purchase.

So the problem, which was identified with the ''if'' word by my friend from Texas, is the problem which this amendment addresses. I don't know why any of us need a study on the principle involved here. The principle involved is a pretty direct, simple principle. If the commercial product is cheaper than the prison-made product, then don't stick the taxpayers with the extra cost and don't cause the private business person out of prison the loss of that sale. That is the principle. If that is true 10 percent of the time or 15 percent of the time or 5 percent of the time, it is the same principle. And that is the principle we will be voting on: Whether or not we want to have a study to see how often the principle is violated, or whether or not we want to vote for the principle, and it is the principle which is driving this amendment.

I have a letter from a citizen of Texas:

I am writing in regards to reforming Federal Prison Industries and ending its mandatory source status. I am a business person and a resident of San Antonio, TX. Not only do I reside in the heart of Texas, but also in the heart of military bases. It is virtually impossible for me to make a living due to the mandatory status implemented by the Federal Prison Industries. I urge you to support and follow Senator CARL LEVIN and his legislation that would allow businesses to compete with FPI for Federal contracts.

Those are the keywords. You can put them in bright lights: ''Allow them to compete.'' That is the principle.

She goes on:

Today, we are prohibited from doing so. If a product is made by a Federal prison, then Federal agencies are forced to buy that product. It would also help Government agencies by allowing them to compare price and quality from a broader array of sources.

That is the principle. Mr. President, our good friend from Texas said that he is sure the American people, by at least a vote of 10 to 1, would want our prisoners to work. I think it is much more than that. I hope it would be 100 to 1. But I think it would be 1,000 to 1 that people want our Government to buy the products at the best price. That is the discipline of the marketplace. That is what a free enterprise economy should be about.

Do we make an exception to that rule when it comes to certain products that are made by slave labor in other countries? Yes. Have we made an exception for saying it is unfair to American business that prison-made products in America should not compete in the commercial world? When the Senator from Texas says that he would like to turn prisons into industrial parks, is that fair to Americans who are not in prison who need more than 20 or 30 or 40 cents an hour to survive? Is that really fair? I don't think so, and this amendment, he is surely right, does not reverse the prohibition on that. But all this amendment does is to allow the private sector to compete when its price is lower.

It is not going to destroy or devastate the Federal Prison Industries. It is going to force them to be producing things where they can do it price competitively with all the advantages they have, and there are many things that they can sell to the Government which fall in that category. There are areas of recycling where we do not now recycle because the cost of labor is so high it does not pay to recycle. Prison labor is a very good source of potential labor for that.

There are things that Government buys that are important—and I emphasize that the Government buys that are important—where prison labor would not be displacing American businesses and where, indeed, it would make good sense and would be fair for those products to be produced and bought by the U.S. Government.

All we are doing is implementing the very principle which the Senator from Texas said: ''If there's a problem now with prices not being competitive, let's adjust it.'' That is this amendment. That is all we are doing, we are adjusting it. We are saying, let American Government agencies buy products from American businesses when they can do so more cheaply than the product that they are now being forced to buy too often by the Federal Prison Industries.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 795

(Purpose: To authorize the Secretaries of the military departments to settle and pay claims by members of the Armed Forces for loss of personal property due to flooding in the Red River Basin)

Mr. CONRAD. I thank the Chair. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. There is currently pending a first- and second-degree amendment.

Mr. CONRAD. Mr. President, I ask unanimous consent to set aside the amendments that are currently pending so the amendment that I am offering can be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. DORGAN, Mr. WELLSTONE, Mr. JOHNSON, and Mr. DASCHLE, proposes an amendment numbered 795.

Mr. CONRAD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title X, add the following:

SEC. . CLAIMS BY MEMBERS OF THE ARMED FORCES FOR LOSS OF PERSONAL PROPERTY DUE TO FLOODING IN THE RED RIVER BASIN.

(a) FINDINGS.—Congress makes the following findings:

(1) The flooding that occurred in the portion of the Red River Basin encompassing East Grand Forks, Minnesota, and Grand Forks, North Dakota, during April and May 1997 is the worst flooding to occur in that region in the last 500 years.

(2) Over 700 military personnel stationed in the vicinity of Grand Forks Air Force Base reside in that portion of the Red River Basin.

(3) The military personnel stationed in the vicinity of Grand Forks Air Force Base have been stationed there entirely for the convenience of the Government.

(4) There is insufficient military family housing at Grand Forks Air Force Base for all of those military personnel, and the available off-base housing is almost entirely within the areas adversely affected by the flood.

(5) Many of the military personnel have suffered catastrophic losses, including total losses of personal property by some of the personnel.

(6) It is vital to the national security interests of the United States that the military personnel adversely affected by the flood recover as quickly and completely as possible.

(b) AUTHORIZATION.—The Secretary of the military department concerned may pay claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997, by members of the Armed Forces residing in the vicinity of Grand Forks Air Force Base, North Dakota, without regard to the provisions of section 3721(e) of title 31, United States Code.

Mr. CONRAD. Mr. President, the amendment that I am offering today is intended to prevent unintended discrimination against personnel at the Grand Forks Air Force Base as the Air Force provides compensation for damages suffered by personnel as a result of this spring's unprecedented flooding.

I am joined in this amendment by Senators DORGAN, WELLSTONE, JOHNSON, and DASCHLE. This is an amendment that has been requested by the U.S. Air Force, specifically by Air Force Secretary Sheila Widnall; General Fogleman, the Chief of Staff of the Air Force; and Gen. Walter Kross, the commander in chief of the U.S. Transportation Command.

By way of background, Mr. President, North Dakota and Minnesota, as the distinguished occupant of the chair knows well, have suffered from one of the worst winters and spring in our history. The flood that caused the evacuation of both Grand Forks and East Grand Forks was a 500-year flood and caused literally billions of dollars of damage.

This picture shows some of the remnants of what we dealt with in that devastating flood. As I have indicated before, if you went up and down the streets of Grand Forks and East Grand Forks immediately after the flood, what you saw was stacks and stacks of everybody's personal property. All of the carpeting, all of the clothing, all of the draperies and appliances, whether it was washers or dryers or refrigerators, they were all out on the curb. You could see what everybody had, because of this devastating flood.

In the midst of the flood, of course, we also had this incredible fire break out in downtown Grand Forks. Here you can see a picture of some military personnel helping out as the firefighters fought this devastating fire and, of course, the flood simultaneously. This last picture shows one of the neighborhoods just a few blocks from where the fire hit, and you can see these cars and trucks inundated with water in a neighborhood that was especially hard hit.

Well, Mr. President, the point is, we suffered one of the worst floods ever, worst in 500 years.

In the face of this, there was great assistance from Air Force base personnel. And they themselves experienced great devastation. Those that did not live on the base, who were forced to live off base because of a housing shortage on the base, are now faced with a Catch-22, because current law allows the Defense Department to provide compensation for personal property losses of up to $100,000 as long as the housing that those Air Force personnel were occupying are Government owned.

Unfortunately, about 700 families lived in housing that was off the base in the area most devastated but do not live in Government-owned housing. And their personal property losses can be dealt with by other Government programs, but to the extent they do not cover them, these people are left in the remarkable situation of not being covered. The people on the base, where frankly there was not flooding, they are covered. But the people who are off base who did experience enormous losses are not covered.

That is why the top Air Force personnel have asked that we offer this amendment and that we ask our colleagues to pass it so that military personnel are not discriminated against in this very odd way.

Mr. President, I say, many of these individuals who were helping to fight the flood and helping to fight the fire were doing it when their own homes were being destroyed. This was truly an act of courage and heroism by these Air Force personnel. And now they find themselves in a circumstance in which those that were on base, they can be helped by an existing Federal program, but those who are off base in the area that was actually hit by the devastating floods cannot be helped. That does not make sense. It is not fair. And we have a chance to correct it.

The amendment that I have offered today will, No. 1, waive the discriminatory provision for the purposes of the recent disaster. No. 2, it does not require any new money. I want to make that point very clear. This can be accommodated, according to the Air Force, out of existing programs. And there is sufficient money there to address this circumstance. It does not require any new money.

The Air Force put the potential liability at $4 million—not billion. We often talk on the floor here of billions of dollars. But this is a very small item, $4 million. And it would be consistent with earlier actions taken by the Congress after Hurricane Andrew in 1992 on behalf of Homestead Air Force Base personnel living off the base.

I again would like to emphasize that this provision has been explicitly requested by General Kross, the Commander in Chief of the U.S. Transportation Command; it has also been requested by General Fogleman, the Chief of Staff of the U.S. Air Force, and by the Air Force Secretary, Secretary Widnall.

I hope that my colleagues will see fit to approve this amendment. It is a relatively minor matter in the scheme of things around here. But it will make a significant difference in the lives of these Air Force personnel who were really courageous and heroic in the face of these disasters, and they deserve to be covered just as those who were on base are already covered.

I thank the Chair and yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I just have one question to my dear friend from North Dakota.

Is it the intention of this amendment that if the person who was victimized by the flood or fire had personal insurance, that that personal insurance be first exhausted and then any Federal FEMA benefits or other benefits then be next exhausted prior to the kicking in of this particular language that the Senator is offering?

Mr. CONRAD. I am happy to respond to my colleague from Michigan.

It is my understanding that the way this program works, first of all, all personal insurance benefits have to be exhausted, then all other Federal program benefits have to be exhausted, that is, if there is any eligibility for FEMA benefits, those have to be exhausted before this program is available to be administered by the Air Force.

As I say, that is my understanding of how the program works. I think that is a reasonable way for it to work because obviously we do not want to be expending Federal dollars where private insurance covers the loss or where other Federal programs cover the loss.

The concern that the Air Force has had is they face circumstances here in both North Dakota and Minnesota, by the way, where Air Force base personnel were forced to live off base because of a housing shortage on the base. And those personnel were subjected to this devastating series of circumstances, some of them in North Dakota, some of them in Minnesota. And the Air Force would very much like to be able to compensate them for personal property losses over and above what the insurance will cover, over and above what other Federal programs will cover.

Mr. LEVIN. I thank the Senator for his amendment.

I know that Senator CLELAND, were he here—he is the ranking member of our subcommittee—would be supporting this amendment, as do I. I think however there will be some debate on this amendment. But from the perspective of at least this Member, it is a good amendment, an equitable amendment. It uses the same program that applies to people who are on base to those who are off base, almost all of whom were assigned to that base.

Mr. CONRAD. I want to, if I can, thank my colleague from Michigan, to say then that this is consistent with what we did after Hurricane Andrew with respect to Homestead Air Force Base personnel, and that the top Air Force officials have been in frequent contact with me on this matter. They think it is a matter of equitable treatment for their forces and that it is important that we take this action.

I very much hope that my colleagues will see fit to honor the call of our top Air Force leadership and pass this amendment.

I thank the Chair. And I thank my colleague from Michigan.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I hope that if we do adopt this amendment that the Defense Department would look within it the two precedents in terms of establishing a general policy situation such as this. It seems to me that the precedent cited by the Senator from North Dakota is in point, and that this would be an additional precedent, if passed, for adopting a general policy in situations such as this for persons who are assigned to a base but who live off base to be given the same kind of coverage as persons who are on base.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, again, on this side there is support for the Senator's amendment. And I know of no opposition on this side. I hope this amendment will be adopted.

Mr. THURMOND. Mr. President, we have agreed to accept it.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

The amendment (No. 795) was agreed to.

Mr. CONRAD. Mr. President, I thank my colleagues. I especially want to thank the ranking member, Senator LEVIN, from Michigan for his assistance. And I also thank very much the chairman of our committee, Senator THURMOND of South Carolina. I thank them both for their support.

I think this is a matter of equity for our Armed Forces personnel. I know they will very much appreciate this assistance.

Mr. LEVIN. Mr. President, I move to reconsider the vote on that amendment.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 593

(Purpose: To repeal the restriction on use of Department of Defense facilities for abortions)

Mrs. MURRAY. Mr. President, I call up amendment No. 593 and ask to proceed under the previous agreement.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself, Ms. SNOWE, Mr. ROBB, Mr. KENNEDY, Mr. LAUTENBERG, and Mr. WYDEN, proposes an amendment numbered 593.

Mrs. MURRAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII add the following:

SEC. 708. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out ''(a) RESTRICTION OF USE OF FUNDS.—''.

Mrs. MURRAY. I am offering this amendment on behalf of myself, Senator SNOWE, Senator KENNEDY, Senator LAUTENBERG, Senator ROBB, and Senator WYDEN.

Mr. President, this bipartisan amendment simply strikes the existing ban on privately funded abortions in overseas military hospitals for military personnel and dependents. For the information of my colleagues, it is identical to the amendment that I offered last Congress which was adopted by the Senate.

Mr. President, it is extremely amazing to me that today a woman who volunteers to serve our country and is stationed overseas surrenders her ability to receive a safe and legal abortion without unnecessary and intrusive obstacles.

Not only are female military personnel denied this basic reproductive health service, but so are dependents of military personnel.

Mr. President, I know that my colleagues share my concerns regarding current allegations of sexual harassment against women in the military. We all agree this is intolerable and cannot and will not be accepted. We are all committed to protecting women from sexual harassment or discrimination while serving in the military. We all recognize that serving one's country does not mean sacrificing one's civil and constitutional rights.

While the military may have a separate code of conduct, basic civil rights are afforded all military personnel. It is important for me to stress this to my colleagues. No Senator would come to the floor to support any legislation that eliminated constitutional guarantees for military personnel. However, that is exactly what happens today unless we lift the current ban on access to safe and legal abortion services for military personnel serving overseas.

In 1993, the ban on privately funded abortion services for military personnel and independents was lifted, restoring basic health care protection to all women serving overseas. Unfortunately, in the 1996 Department of Defense Authorization Act, this ban was reinstated. I was at a loss then and I still am today as to what the justification is for this ban.

I have heard supporters of the ban talk about the use of Federal funds to provide abortion-related services. Mr. President, this argument is weak at best. My amendment would require that personal funds be used. The cost to the patient to provide abortion services far exceed the cost of the procedure itself.

Mr. President, without my amendment, we subject women to undue hardships when they serve overseas. If a woman serving overseas cannot obtain a legal and safe abortion at her own expense, she must request leave from her commanding officer to fly back to the United States for this procedure. We should be outraged at the cost to the military for transporting her back to the United States and for the leave time that must be granted. Why is it better to pay for these costs than simply to have the woman pay for the procedure at her own expense at a safe U.S. military hospital?

Based on this fact, the argument that it costs Federal tax dollars to provide abortion-related services to military personnel cannot be the issue. Today, it takes more tax dollars to provide a safe and legal abortion for military personnel than it would under my amendment. If anyone is concerned about Federal tax dollars funding abortion, they should support my amendment, as it would require the woman to pay for the procedure with private funds where she is stationed rather than flying her home to the United States.

Supporters of the ban may also claim that military medical personnel should not be trained to perform or counsel on abortion-related services. I remind my colleagues, however, current law provides coverage for abortions in the case of rape, incest, or to protect the life of the woman. Doctors must now be trained, regardless of what happens here today.

Let me respond as well to statements that insist that this amendment would require any doctor to perform an elective abortion, regardless of their own personal objections. This amendment does not change or impact current DOD policy which clearly spells out that health care providers who, as a matter of conscience or moral principle, do not wish to perform elective abortions, shall not be required to do so. The DOD

policy and the conscience clause enforced by all four branches of the service have worked. There have been no reported cases of a military doctor being forced to perform an elective abortion despite their moral or ethical objections.

Mr. President, like all of our service personnel, women in the military deserve our utmost respect, honor, and gratitude. They certainly do not deserve to be told that they must check their constitutional rights at the door when they are stationed overseas. This amendment protects their precious rights and ensures their safe access to quality medical services.

Like all military personnel, women should be guaranteed access to quality and safe medical services. The current ban on abortion services at DOD facilities could force women to seek unsafe, back-alley abortions in a foreign country. Without adequate care, an abortion can be life-threatening or permanently disabling.

Mr. President, we often have Members come to the floor to advocate for women's health issues. I remind my colleagues that forcing a woman to delay an abortion could further jeopardize her health. Every week a woman has to wait increases the health risks. It is simply wrong to jeopardize the health and well-being of our military personnel.

I urge my colleagues to support the Murray-Snowe amendment and to give every woman in the military the same rights, the same rights, that are afforded every other American woman. This is our chance to show women in the military and dependents serving overseas that we do care and that we appreciate their contributions to protecting our national security.

I reserve the balance of my time.

Mr. COATS. Mr. President, I yield whatever time the Senator from Idaho desires.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I thank the Senator from Indiana.

Mr. President, I am the new chairman of the Military Personnel Subcommittee, and in the 12 months I have served in that capacity I have learned the subcommittee itself cuts a wide swath on all the issues that we deal with. This subcommittee resolves issues that are at the forefront of our national debate. We cope with the issues of values taught to our young people who volunteer for the armed services. We deal with the issues involving gender-based training, sexual harassment in the workplace, drug and alcohol abuse, and now, as a result of this amendment before the Senate, the very sensitive issue of abortion.

I make it very clear at the outset what this issue in this particular amendment is not about. It is not about whether you are pro-life or pro-choice. This amendment is about where those abortions may be performed and whether they are paid for at Federal Government expense. This amendment would repeal the prohibition on using Department of Defense facilities for abortions and allow prepaid abortions to be performed in these taxpayer-funded facilities and by Federal medical personnel at these facilities.

The sponsors of this amendment argue that without this amendment, women in the Armed Forces stationed overseas may find it difficult to have access to a safe abortion. As a result, this interferes with their constitutional right to an abortion, so they contend.

I want to acknowledge that women who are in the Armed Forces and are stationed overseas in countries where abortion is not legal, are faced with complex emotional and difficult decisions. I note for the record, however, that a woman with a pregnancy who is in the armed services who is overseas and that pregnancy is medically life-threatening or the result of rape or incest, under current policy, can receive an abortion at a U.S. military hospital.

So the issue before the Senate is, what is the right abortion policy that our military hospitals should follow in cases where the life of the mother is not at stake or rape and incest is not involved?

After reading last year's debate and listening to the debate today, I offer these observations. While women in this country still have a constitutional right to have abortions, our national policy as a result of the Hyde amendment is that taxpayers should not be required to pay for abortions except in the circumstance where the life of the mother is at risk or in instances of rape and incest. In other words, except in rare instances, Federal funds should not pay for abortions.

But there is no getting around the fact that the Department of Defense military hospitals are paid with 100 percent taxpayer dollars. The medical facility is paid for with taxpayer money. The doctors and the nurses are Federal employees, paid with taxpayer dollars. So is the equipment, the overhead, the operating rooms, et cetera.

Even though the pending amendment contemplates that women will be allowed to use personal funds to pay for an abortion, there is no getting around the fact that taxpayer dollars could still directly or indirectly pay for an abortion. So this amendment, if adopted, could lead to situations where taxpayers are paying for abortions, which is contrary to our national policy as outlined in the Hyde amendment. That is inconsistent with our national policy and with my personal belief, and therefore I oppose the pending amendment for those reasons.

Mr. President, like so many issues this subcommittee handles, this one is one of the sensitive ones. I want to commend the Senator from Indiana, who had been the chairman of the Subcommittee on Military Personnel for a number of years, who has dealt in a sensitive fashion with this issue in the past. I appreciate the approach that he has taken. I look forward to his comments as he gives us insight on this particular issue.

I yield the floor.

Mr. COATS. Mr. President, I yield myself a couple of minutes.

I appreciate the comments from my colleague from Idaho, chairman of the Personnel Subcommittee. This is not an easy issue to deal with. We have dealt with it on numerous occasions here on the Senate floor. We are attempting to maintain a consistent Federal policy relative to abortion. That policy, known as the Hyde amendment, essentially says that taxpayers' money should not be used against the wishes of taxpayers for elective abortions except in some very, very limited circumstances. Separation of that has been accepted on a consensus, at least a majority, basis now for a couple of decades. We are trying to maintain that. We do not want to make an exception in this instance because we do not think an exception needs to be made.

There has been no demonstration that women who find themselves with unwanted pregnancies in the military are denied the right to have an abortion. They have that right. They can exercise that right. We are simply saying we do not think we should compel the American taxpayer to pay for it. That is something that has been the subject of debate and discussion ever since I've been in Congress and even before that. By a majority vote, time after time after time, upheld by this Congress, we have disallowed the use of Federal funds for abortions except in cases where the life of the mother is threatened or in cases of rape or incest. We are trying to maintain that standard, consistent throughout all Federal agencies, including the military.

In one sense, really, in a very real sense, this is a solution, this amendment offered by the Senator from Washington is a solution in search of a problem. We simply have not had any problems with allowing women to obtain abortions at the place of station if it is allowable in that country, and if it is not allowable in that country overseas, to find military transport, not at their cost, but military transport back to any place in the United States that they choose for the performance of that particular abortion.

In doing so, we allow the woman to exercise—even though it is not a right, I agree—a right guaranteed by the Supreme Court at this particular time, and she is not denied the opportunity to have an abortion. The question before the Senate is, will we maintain a consistent policy that says that taxpayers' money should not be used if it goes against their moral beliefs, their religious beliefs? Taxpayers' money should not be used for the performance of elective abortions except in very limited circumstances.

I yield back, reserving the time.

Mrs. MURRAY. Mr. President, I yield such time as she may consume to my cosponsor, the Senator from Maine.

Ms. SNOWE. Thank you, Mr. President.

I want to thank the Senator from Washington for taking the initiative and leadership in offering this amendment to the DOD authorization bill because it is a very important issue. I remind this body that we voted to repeal this ban on abortions in military hospitals overseas last year, and I hope my colleagues would do the same again this year.

Mr. President, year after year, debate after debate, Congress revisits the issues concerning women's reproductive freedoms by seeking to restrict, limit, and eliminate a woman's right to choose. This ban on abortions in overseas military hospitals, reinstated last year, represents just more of the same.

I point out that these efforts to turn back the clock on women's reproductive rights will never erase the fact that the highest Court in the land reaffirmed, time after time, in decision after decision, a woman's fundamental right to a safe and legal abortion.

This whole issue of banning abortions in overseas military hospitals represents another frontal assault on a woman's right to choose. It also represents a frontal assault on a woman's dignity. This ban denies a woman's right to choose for female military personnel and their dependents. It denies those women, who have voluntarily decided to serve their country in the Armed Forces, a safe and legal medical procedure. Because they were assigned to duty in other countries, it denies them equal protection under the law. What kind of reward is that for a woman who has made a decision to serve her country but denying her the rights that are guaranteed to her under the Constitution?

It certainly didn't occur to me that women's constitutional rights were territorial. It certainly didn't occur to me that American women, when they go abroad serving our country, are leaving their constitutional rights behind. Between 1979 and 1988, women could use their own personal funds to pay for the medical care that they needed. And in 1988, we know that the Reagan administration announced a new policy prohibiting the performance of any abortions at military hospitals—even if that procedure was paid for by a woman's personal funds.

In January 1993, President Clinton issued an Executive order removing that prohibition. But the point is that that Executive order did not change existing law in prohibiting the use of Federal funds to pay for that procedure. That is the issue here today. The issue isn't whether or not we are going to use Federal funds for abortions in overseas military hospitals; it is a question of whether or not a woman is entitled to have access to a safe, legal, and constitutional medical procedure with the use of her own personal funds.

Removing this ban doesn't require medical providers to perform abortions. All three branches of Government have a conscience clause. It would not require medical personnel to perform that procedure if they have moral, religious, or ethical objections to doing so, and that is reasonable. But the ban prohibiting women from having access to the right to choose with her own personal funds is creating a level of substandard care.

What kind of choice does a woman have who is serving her country overseas? What are her choices? To fly back to the United States? Well, we know the cost involved, let alone whether or not she would have the time in order to do so. She could possibly endanger her own health by seeking care in some of the foreign hospitals, whose quality of care cannot compare to ours. That is why we have our own separate medical facilities on military installations abroad. That is the whole point: to ensure that our military personnel have the best quality care available that they are entitled to and indeed that they deserve. Or we could require a woman to fly to another country to receive care. But the bottom line is that what we are imposing on a woman who serves in the military are some very dangerous and stark choices.

Mr. President, the Supreme Court, in 1992, in a case called Planned Parenthood versus Casey, said that the Government regulation of abortion may not constitute an undue burden on the right to choose. An undue burden is defined as having the ''purpose or effect of placing a substantial obstacle in the path of a woman seeking an abortion.'' When you consider the hurdles that a military woman seeking abortion faces—lengthy travel, serious delay, high cost to fly home, or elsewhere, substandard medical care and options—there is no doubt that this ban unconstitutionally places an undue burden on a woman's right to choose; but, most important, prohibiting women from using their own funds to obtain abortion services at overseas military hospitals endangers their health. That is the jeopardy in which we are placing women, because in being stationed overseas there are often areas where local facilities are inadequate or provide substandard care and just do not meet the standards that our medical facilities do. That is the purpose of having them there.

So this isn't a question of funding, it's a question of fairness, it's a question of whether or not the Government is going to dictate the kind of care a woman and her family will have access to if they are serving abroad in the military. It is not an issue of pro-life versus pro-choice; it's a question of whether or not we are going to create a disparate and discriminatory policy when it comes to a woman using her own personal funds. That is what this debate is all about.

It is an unprecedented intrusion on the part of Government to say how an individual can spend their private funds when it comes to a legal, constitutional medical procedure.

The amendment that is offered by the Senator from Washington will ensure and, indeed, safeguard us from creating a two-tiered system in this country—one for a woman who reside in the United States and serves in the military and another for those women who choose to serve their country in the Armed Forces overseas. I hope that this body will reject the ban that is included in the DOD authorization and accept the amendment that has been offered here today by Senator MURRAY, because failure to do otherwise is punitive for American women and for their families. I hope that we will follow the example that we established in the last Congress by voting to repeal the ban.

Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I support Senator MURRAY's amendment to repeal the provision of current law that prohibits a woman in the armed services from using her own funds to pay for an abortion in an overseas U.S. military facility. I support this amendment for several reasons.

First, under several Supreme Court decisions, a woman clearly has a right to choose. A woman does not give up that right or it is not obliterated because she serves in the U.S. military or is married to a U.S. servicemember.

Second, women based in the United States and using a military facility in this country are not prohibited from using their own funds to pay for an abortion. Barring the use of U.S. military facilities overseas creates a double standard for military women and an undue hardship on women servicemembers stationed overseas.

Third, women may not have ready access to private facilities in other countries. Abortion is illegal in some foreign countries, like the Philippines. A woman stationed in that country or the spouse of a servicemember would need to fly to the United States or to another country—at her own expense—to obtain an abortion. Most servicemembers cannot easily bear the expense of jetting off to Switzerland for medical treatment.

Fourth, if women do not have access to military facilities or to private facilities in the country where they are stationed, they could endanger their own health by the time it takes to get to a facility in another country or by being forced to get treatment by someone other than a licensed physician.

We know from personal experience in this country that when abortion is illegal, desperate women resort to unsafe and life-threatening methods. If it were your wife, or your daughter, would you want her in the hands of an untrained, unknown person on the back streets of Manila or Cordoba, Argentina? Or would you prefer that she be treated by a trained physician in a U.S. military facility?

These women would have to put themselves at great risk by the obstacles involved, by the possibility of

using an untrained, unlicensed person and sometimes by a lack of knowledge of the seriousness of their condition.

People who serve our country agree to put their lives at risk to defend their country. They do not agree to put their health at risk with unknown medical facilities that may not meet U.S. standards. With this ban, we are asking these women to risk their lives doublefold.

Current law does not force any military physician to perform an abortion against his or her will. All branches have a conscience clause that permits medical personnel to choose not to perform the procedure. What we are talking about today is providing equal access to U.S. military medical facilities, wherever they are located, for a legal procedure paid for with one's own money.

Abortion is legal for American women. To deny American military women access to medical treatment they can trust is wrong. I urge my colleagues to vote for this amendment.

Mr. KENNEDY. Mr. President, I strongly urge the Senate to support the amendment offered by Senator MURRAY. This provision would take the long overdue step of repealing the current ban on privately funded abortions at U.S. military facilities abroad. This measure will ensure that women in the Armed Forces serving overseas can exercise their constitutionally guaranteed right to choose safe abortion services.

This is an issue of fairness to the women who make significant sacrifices to serve the Nation. They are assigned to military bases around the world to protect our freedoms, and they serve with great distinction. But when they get there, they are denied access to the kind of medical care available to all women in the United States. Military women should be able to depend on their base hospitals for all their medical services. This amendment gives them access to the same range and quality of health care services that they could obtain in the United States.

It is not fair for Congress to force women who serve the Nation overseas to face the choice of accepting medical care that may be below the quality they can obtain in the United States, or else returning to the United States for care in a nonmilitary facility. Without a sufficient level of care, abortion can be a life-threatening or permanently disabling procedure. This danger is an unacceptable burden for us to impose on the Nation's servicewomen.

Congress has a responsibility to provide safe options in these situations. Opponents of this amendment are exposing servicewomen to substantial risks of infection, illness, infertility, and even death. The amendment does not ask that these procedures be paid for with Federal funds. It simply asks that the appropriate care be made available. It is the only responsible thing to do.

In addition to the health risks of the current policy, there is a significant financial penalty on servicewomen and their families who have arrived at the difficult conclusion to seek an abortion. The cost of returning to the United States from far-off bases in other parts of the world to obtain adequate health care can often involve significant financial hardship for young enlisted women. Yet, this is a cost that servicewomen based in the United States do not have to bear, since nonmilitary facilities are readily available.

If our military personnel do not have the financial means to travel privately to the United States for an abortion, they will face significant delays waiting for military transportation. The health risks increase each week, and if the delays in military flights are long, the women may well be forced to rely on questionable medical facilities in their host countries. As a practical matter, women in uniform are being denied their constitutionally protected right to choose.

A women's decision on abortion is a very difficult and extremely personal one. It is unfair to increase the burden on the women who proudly serve our country overseas.

Every woman in America has a constitutionally guaranteed right to choose to terminate her pregnancy. It is time for Congress to stop denying this right to military women serving abroad. It is time for Congress to stop treating these women as second-class citizens. I urge the Senate to support the Murray amendment and end this flagrant injustice under current law.

Ms. MOSELEY-BRAUN. Mr. President, I join my colleagues Senators MURRAY and SNOWE in sponsoring this amendment to allow women serving in the U.S. military overseas and dependents of U.S. military personnel serving overseas to obtain privately funded abortions at overseas military hospitals.

Women serving overseas are fighting to protect democracy and freedom. These women should not be denied the basic, constitutionally protected rights enjoyed by women in the United States. One of those rights is the right to make decisions regarding one's personal reproductive health.

This amendment repeals a ban that was put in place during the 104th Congress. That ban unnecessarily endangers the health of U.S. servicewomen and the dependents of service personnel overseas, and creates an additional and unnecessary hazard to military service for women in this country. This is unconscionable.

It is important to remember that many of these women are not in countries with first rate medical care. The U.S. military has a presence in many countries where hospitals are woefully inadequate. In addition, in some of these countries women do not have the right to choose to terminate a pregnancy and so legal, safe abortions are not an option.

Under this amendment, no doctor has to perform an abortion if he or she has a moral, ethical, or religious objection. That is a choice, however, for the doctor to make, not for the United States Government. After all, in our country the right to choose family planning and pregnancy termination services is constitutionally protected.

The Department of Defense would not be required to pay for any abortion services provided in overseas military hospitals. This amendment would require that private funds be used to pay for the services.

The basic facts are that this amendment protects the life and health of U.S. servicewomen and the dependents of military service personnel stationed overseas. Quality medical care, commensurate with that provided in the United States, where possible, is not too much for our Armed Forces to expect and to receive.

I thank my colleagues, Senator MURRAY and Senator SNOWE, for offering this amendment and for taking leadership in trying to preserve basic constitutional rights of our service personnel overseas. I urge my colleagues to support the Murray/Snowe amendment.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, how much time is available?

The PRESIDING OFFICER. The Senator from Indiana has 19 minutes remaining. The Senator from Washington has 11 minutes remaining.

Mr. COATS. I yield to the Senator from Arkansas such time as he may consume.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I thank the Senator from Indiana for his leadership on this issue and for yielding his time.

I rise today in strong opposition to the Murray amendment. During the Reagan and Bush administrations, abortions were prohibited at overseas Department of Defense medical treatment facilities, except in the cases of rape, incest, or if the mother's life should be in danger. In 1993, just 2 days after taking office, President Clinton issued an Executive order to the Secretary of Defense that reversed this previous ban on abortions, which had been supported, which was reflective of our national priorities and our national policy of not using taxpayers' funds to provide abortions.

So the President, President Clinton, issued that Executive order reversing the previous ban. This attempt to legislate by Executive order was soon met with fierce resistance, not only by Members of Congress who were greatly concerned about this reversal of position, but by the military's own doctors.

After the administration's reversal, there were a number of articles that appeared, but two specifically from major media outlets challenging the President's Executive order. ''The Pentagon confirmed, all 44 military doctors in Europe have decided against

doing the procedure on moral and religious grounds.'' I think that is a tribute to our military doctors and a reflection of their own moral concerns about this practice and their support for the traditional position that had been in place for many years.

Additionally, one Air Force commander stated that all 10 obstetricians under his command expressed an ''unwillingness on a personal or moral basis'' to perform abortions and, furthermore, that he was not surprised at the doctors' response.

Military treatment centers—which are, always have been, and should be dedicated to healing and nurturing life—should not be forced to facilitate the taking of the most innocent of human life: the child in the womb.

We have a policy that has worked. It is a policy that is supported by our military doctors. It is a policy that is reflective of the position that we have held as a Nation, even during this era in which Roe versus Wade has sustained a woman's right to choose abortion—that policy that we will not ask Americans who morally and religiously object to the practice of abortion to subsidize that practice with their tax dollars. This is a law that has worked; it is a law that is effective.

I ask my colleagues to join me in opposing the Murray amendment and sustaining our existing policy and existing law, consistent with what we as a Nation have held and what our current policy is. I thank the Senator from Indiana.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, will the Senator from Washington yield 5 minutes to the Senator from Michigan?

Mr. MURKOWSKI. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I support the Murray amendment for a number of reasons. Before I get to them, let me just say that I think all of us recognize that the issue of abortion can stir so many emotions so quickly that it is important for us to understand what any amendment before us does and what it does not do. It is important to really focus on both. What does it do and what doesn't it do?

This amendment would allow a woman seeking an abortion to pay for it from her own funds at a military hospital overseas. That is what it does. There has been a prohibition on this use of military hospitals since the 1996 Defense Authorization Act was enacted. This amendment would repeal that prohibition. In doing so, the amendment would allow a woman serving in our Armed Forces overseas who chooses to have an abortion to have that abortion performed in a modern American medical facility by well-trained doctors who have volunteered for that duty, provided that all costs and fees associated with the abortion are paid in advance, using private funds.

This amendment would give the female service members stationed overseas the same access to the high standards of medical hygiene, technology, and medical care that is enjoyed by other female service members stationed in the United States under the same standards of medical care enjoyed by the women of America who have not chosen to serve their country in the military. And to establish that equitable access this amendment would permit the Department of Defense to reinstate a policy that existed prior to 1988 which was reinstated by the President in 1993 but was prohibited by Congress in 1996. Under that policy that would be reinstated should this amendment become law, as I believe it should, military women stationed overseas, as well as adult female dependents of male or female service members living overseas, would be able to exercise their right to have access to a safe abortion procedure without being put at risk by having to rely on the medical facilities available on the local economy which may not be up to the same high standards found in American hospitals. That is a constitutional right that we are talking about here. Many would disagree that it should be, and I think we should respect that.

There is disagreement over this issue as to whether or not that right which would be protected by this amendment should be protected by the Constitution. Surely people who are of good faith disagree on that question. But it is a constitutional right. Women who exercise that right would be required to pay the full cost for an abortion near their duty station by well-trained doctors who have volunteered for such work.

What does the amendment not do? It does not provide the taxpayer dollars to pay for the abortion because the woman must pay the full cost. The Defense Department would be required to compute that. I don't think that really is the issue here, although it has been raised. The words ''taxpayers funds'' have been raised here. I don't think that is really the issue. Because I think if the opponents of this amendment were satisfied that there is no even indirect cost which would not be paid for that their opposition would end. And it is the intent of the amendment, if it is law, that the full cost be paid by the woman in advance and the responsibility is on the Defense Department to compute those costs.

So, again I repeat. I don't think that is really the issue. The real issue is the underlying issue of whether or not an abortion, even if paid for fully by the woman, should be performed in a hospital overseas.

Another thing the amendment does not do is require military doctors to perform abortions nor allow their careers to be affected if they choose not to perform abortions. It protects the right of doctors in the military not to perform abortions and protects their careers, if they choose not to perform an abortion.

The amendment does not provide free abortions in military hospitals. The current prohibition on the use of Federal funds for abortion remains in effect. It is an important point. There is a prohibition on the use of Federal funds on abortions which remains in effect under this amendment. All costs associated with an abortion would be the responsibility of the patient.

Mr. President, this amendment would avoid placing women who serve our country overseas in an inequitable position relative to women who have chosen not to serve our Nation, and I hope this amendment is adopted.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, how much time is available on this side?

The PRESIDING OFFICER. The Senator from Indiana has 15 minutes and 38 seconds remaining. The Senator from Washington has 4 minutes and 36 seconds remaining.

Mr. COATS. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, let me address some of the questions that have been raised here.

First, on the question of denial of constitutional right, that is not an issue. Whether we agree that a woman ought to have a constitutional right to an abortion or disagree, that is not the issue here because no woman is being denied her constitutional right, whether that woman is in the military or not, or whether that woman is in the military serving in the United States or in the military serving overseas. That right is not taken away from that woman.

So the issue here that will be debated, and has been debated, and will be debated in the future over a constitutional right to an abortion is not the issue that we are debating today. The issue that we are debating today is whether that abortion that is sought by a military woman ought to be performed in the military hospital.

The proponents of the amendment say that we can avoid the Federal prohibition against use of Federal taxpayer dollars if the woman herself pays for the abortion. But that ignores the fact that the military hospital was constructed with Federal funds, is equipped with Federal funds, that the salaries of the doctors and the nurses and the staff in that hospital are paid 100 percent with Federal funds, and that it will be an accounting nightmare as identified by the Department of Defense to try to separate out the two.

But again let me go back to what is more fundamental. That is this inequality of treatment. There is no inequality of treatment. A woman today

who serves in the military in the United States can only get an abortion in a military hospital if the life of the mother is in jeopardy, or the pregnancy is the result of rape or incest. That same standard applies to women in the military serving overseas. So the standard is exactly the same.

If the woman serves in the military and is based in the United States and does not fall under the category of exception, that woman, of course, could get an abortion at a nonmilitary hospital in the United States. If a woman is serving overseas and seeks an abortion and it doesn't fall within the exception, she also can receive an abortion, either in a hospital in the country in which she is serving, or, if that country has a prohibition against an abortion, she can take a military transport at no additional cost back to the States, to Great Britain, or to some other country at which an abortion is performed.

It is a legitimate question to raise as to whether or not that woman is being denied access to a hospital. Say she is serving in the military in a country that by law prohibits abortions and, therefore, a hospital is not available to that woman. Does the military in any way deny that woman the opportunity to have an abortion at some other place?

I specifically inquired of the Department of Defense as to what was the answer. Their reply to me in a letter from the Assistant Secretary of Defense is that there have been no military people to their knowledge that have requested an abortion that has not been provided the opportunity to have an abortion, that has not been provided military transport to have that abortion at a place where that abortion is legally performed.

I asked the question. Has the department had any difficulty in implementing the policy that abortions can only be performed in military hospitals in cases of rape, incest, or life of the mother?

Their answer: ''No. We have had no difficulty on that.''

Have any formal complaints been filed concerning this policy?

''No. No formal complaints have been filed.''

Have any legal challenges been instituted concerning the policy?

''No.'' Again, have any members or their dependents been denied access to an abortion as a result of this policy?''

The answer again was no.

Have any members or dependents been denied access to military transport for the purpose of procuring an abortion?

The answer was no.

Then I asked the question relative to the mixing of taxpayer funds, doctor salaries, nurse salaries, equipment purchased with taxpayers' funds, and they said it would be impossible to separate all of that out. It would be an accounting nightmare.

So what we have here is simply a proposal by the Senator from Washington that addresses a problem that does not exist. The Senator from Washington would have a legitimate point, if there was a problem that existed. But no women are being denied constitutional rights to have an abortion. There is no unequal treatment. There is not any treatment available to a woman serving in the military in the United States in a military hospital that is any different from a woman serving overseas. The only difference is that if they happen to be serving in a country which prohibits abortion in that country, they have to go out of the country to have the abortion. But the military has never had a case where they have denied military transport—not commercial transport paid for by the military personnel but military transport available for that person for the purpose of securing abortion.

So there is no problem. There is no constitutional problem. There is no equal access problem. There is no denial of constitutional rights. And there is no case presented to us out of difficulty in this particular instance on this particular problem.

So that while the amendment may be well intended by the Senator from Washington it is clearly a solution in search of a problem. I understand the philosophical difference that exists between Members of the Senate relative to abortion. That is a debate that we have had before. We will have it again. But it doesn't apply to this in this particular instance.

The President clearly in 1993 shortly after he took office was philosophically advancing his position relative to abortion. I happen to disagree with that position. The President has the right to hold his position. Those of us who oppose it obviously have the right to hold ours, and we debate that. But this amendment doesn't go to that debate. It doesn't go to that issue.

For that reason, I hope the Senate will reject the Murray amendment.

Mr. KEMPTHORNE. Will the Senator yield?

Mr. COATS. I would be happy to yield to the Senator from Idaho.

Mr. KEMPTHORNE. I ask the Senator from Indiana: Is it accurate to state that our national policy as embodied in the Hyde amendment in essence states that we will not use Federal taxpayer money for abortion except in the case of rape, incest, or the life of the mother?

Mr. COATS. That is our national policy as adopted by this Congress and signed into law.

Mr. KEMPTHORNE. Is it also accurate to state that in 1980 there was a Supreme Court case which I believe was called Harris versus McRae in which the Supreme Court upheld the constitutionality of the Hyde amendment?

Mr. COATS. That is also correct. The Supreme Court has upheld the constitutionality of the Hyde amendment, and the Hyde amendment has been adopted time after time and reasserted time after time by the Congress on a bipartisan basis and signed by Presidents of both parties.

Mr. KEMPTHORNE. Therefore, based upon that action by Congress, by the executive branch as affirmed by the judicial branch, the Supreme Court, we are bound by a national policy that we not use Federal money except in those cases that I cited.

Mr. COATS. That is correct.

Mr. KEMPTHORNE. The Senator also referenced the DOD in their own analysis where they said it would be an accounting nightmare to go through to determine the true cost of having an abortion performed in a U.S. medical facility when the facility is 100 percent taxpayer funded. All of the personnel are paid for by the taxpayers, and all of the equipment.

Is that accurate?

Mr. COATS. That is accurate.

Mr. KEMPTHORNE. Is it also then, as we follow this, accurate to say that in order to deal with the effect of that that there is provision for a female member of the military service, in the event she chooses to have an abortion that she can have access to military transportation so that she can go to a facility of her choice and exercise her constitutional right?

Mr. COATS. That is correct. Any military personnel has access to military transport on a space-available basis. The DOD has never had an instance where a woman who is seeking access on a space-available basis on military transport has been denied that because the purpose of her transport was for an abortion.

Mr. KEMPTHORNE. This is probably not necessary. But in the event there was a problem with space available but that the situation was life-threatening to the woman, would she not be allowed to have a procedure done at a U.S. military hospital overseas where she is?

Mr. COATS. Absolutely. She would be.

Mr. KEMPTHORNE. I thank the Senator.

Mr. COATS. Mr. President, I reserve the remainder of my time.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Let me make this very clear again. Today, if a woman serving overseas—whether she is in Bosnia or Saudi Arabia—would like to have health services, she would have to go through a commanding officer and request permission to come home to the United States to have that procedure take place, and at the taxpayers' expense they would fly her home. Under my amendment she would be allowed to use her own money to pay for abortion-related services in a military hospital overseas.

I think that is a reasonable request for those women that we ask to serve in a country far away from home.

Mr. President, I yield 3 minutes to my colleague from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank my colleague from Washington for yielding and for her leadership, and I thank our ranking member, Senator LEVIN, for his very strong statement in behalf of women in the military.

Mr. President, my colleague from Indiana says this is about philosophy, but I could not disagree with him more. This is about how we treat our military personnel who happen to be women.

Now, my colleague from Idaho says taxpayer money should not be used in any abortion and therefore this policy ought to be kept. The fact is the women, who have the right to choose under American law, would make that choice and pay the bill, including the overhead, at the military hospital.

Mr. President, it is very hard to ever repay our men and women in the military for the sacrifices they make every single day. They have no idea at what moment they are going to be called upon to put their very life on the line. Their families live in fear that that could happen any moment, whether they are stationed in Bosnia, as many are now, whether they are stationed in Saudi Arabia, as many are now.

How would you like to be a female stationed in one of those countries, knowing what their attitude is and their philosophy is about a woman's right to choose, and be forced into one of those hospitals? Oh, you can get on a plane in an as-available situation. What if it is not available? What if it means you have to take a tremendous amount of leave time and that complicates your life? This is a decision a woman makes—perhaps my colleagues are unaware, if a woman decides to exercise her right to choose, this is not a light decision. This is something she has come to grips with, and it is her right in this country until they have the votes to overturn it, and I hope I never see that day in the Senate.

So, Mr. President, we can never repay the men and women in the military, so what do we do in this policy since this Congress changed hands and a President's policy was overturned? This is how we repay the women in the military? We tell them that we will not allow them their constitutional right to choose a safe, legal abortion in a military hospital even if they pay every single cent for their procedure.

Now, we know that no level of pay could adequately compensate our men and women in the military. There is no price you can put on the patriotism that is involved.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator's time has expired.

Mrs. BOXER. Let us not slap the women in the military. Let us support the Murray-Snowe amendment.

Mr. COATS. Mr. President, may I inquire of the time remaining.

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes 26 seconds, the Senator from Washington has 47 seconds.

Mr. COATS. Mr. President, let me just address a question that has been raised by the Senator from California. I think the Senator misunderstood what I said or perhaps I did not say it right. I said that while there is a philosophical debate among Members of Congress as to the constitutional right of a woman to have an abortion, I said we have debated that at other times and we will debate it at other times in the future. But what I thought I had said is that that is not what is at issue here. There are no constitutional rights of any woman being denied under this current policy and so that is not at issue here. Perhaps my remarks were misunderstood.

Second, let me just say that this is not a policy that divides necessarily Republicans and Democrats. Congress changing hands had nothing to do with the change in this policy. The policy was changed by the President of the United States. This Congress has consistently voted, whether it was led by Democrats or led by Republicans, to uphold the Hyde amendment which prohibited the use of taxpayers' dollars except in cases of life of the mother, rape and incest. That has gained support from Republicans, gained support from Democrats. When the Democrats were in charge of this Senate, that policy was enforced. And when the Republicans were in charge of the Congress, that policy was enforced. So it really is not something that necessarily drives a stake, a lane down between Republicans and Democrats.

Then the question raised by the Senator from Washington about the cost of military transport. Military transport is available to women on a space-available basis. Those who have had the privilege of serving in the military, as I and others have, realize the military is constantly flying planes back and forth not only to the United States but various bases within the theater of operations.

If you are in Korea, there are flights on a regular basis and a voluminous number between the various bases in Asia. If you are in Europe, the same takes place. Women who cannot have an abortion because they are stationed in a country that prohibits that abortion have easy access not all the way back to the United States—there if they choose—but easy access to countries in Europe where we have other bases or other countries where they can go to get that abortion.

So what we are saying here today has nothing to do with a woman's right to an abortion. It has everything to do with whether or not we will uphold, consistently support a policy and uphold a policy that says we cannot and should not force taxpayers who have a moral or religious basis to oppose abortion, to use their tax dollars to pay for those abortions.

That is what is at issue here. We are simply trying to uphold the standard that this Congress has adopted that is currently law, law which, by the way, despite his own personal feelings, was signed into law by the President of the United States.

There are no instances of any woman in the military who has been denied access to an abortion. So let us make sure that we understand the nature of this amendment, the nature of the issue that is before us and what we are voting on.

Those who come down to this floor and vote on the basis that a woman's right to an abortion is being denied have not understood the nature of the current policy. I urge Members to uphold the Hyde language which allows abortions for life of the mother, rape or incest, to uphold the current Department of Defense policy which gives women the access to abortions if they serve overseas but cannot have it performed in that country. But let us not open up military hospitals that are constructed with Federal funds and equipped with Federal funds, let us not open up military hospitals whose doctors and nurses are paid with taxpayer funds. Let us maintain the current policy. It makes sense. It does not deny women opportunity to have an abortion if they want that abortion.

We can have the debate about the constitutionality of abortion or what restrictions we ought to put on those abortions as we have had on partial-birth abortion and as we will have in the future, but that is not what is at issue today. I urge rejection of the amendment of the Senator from Washington.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Let me just end this debate by reiterating for my colleagues that today a woman who seeks reproductive health services has to ask her commanding officer and be flown home at taxpayer expense on one of our transports in order to receive reproductive health services. Under my amendment, she will be able to pay for it at her own cost in a safe military hospital overseas. The bottom line is this is about the basic rights of those women whom we are asking to serve in remote locations to protect this democracy and fight for our country and for other countries overseas to be given the right to reproductive health care services.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. MURRAY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 593 offered by the Senator from Washington. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—48

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Glenn	Lieberman
Bingaman	Gorton	Moseley-Braun
Boxer	Graham	Moynihan
Bryan	Harkin	Murray
Bumpers	Hollings	Reed
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Cleland	Johnson	Sarbanes
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
Daschle	Kerry	Stevens
Dodd	Kohl	Torricelli
Dorgan	Landrieu	Wellstone
Durbin	Lautenberg	Wyden

NAYS—51

Abraham	Faircloth	Mack
Allard	Ford	McCain
Ashcroft	Frist	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Breaux	Grassley	Reid
Brownback	Gregg	Roberts
Burns	Hagel	Roth
Campbell	Hatch	Santorum
Coats	Helms	Sessions
Cochran	Hutchinson	Shelby
Coverdell	Hutchison	Smith (NH)
Craig	Inhofe	Smith (OR)
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner

NOT VOTING—1

Mikulski

The amendment (No. 593) was rejected.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah. The Senator will suspend. The Senate will please come to order.

AMENDMENT NO. 794, AS MODIFIED

Mr. HATCH. Mr. President, I send a modification to the desk on behalf of Senator GRAMM of Texas and myself.

Mr. WELLSTONE. Point of inquiry. Did we have an order of amendments we had agreed to?

Mr. LEVIN. I wonder if the Senator from Utah will clarify that, is that an amendment to the pending second-degree amendment?

Mr. HATCH. This is a modification of the amendment to the Levin amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. HARKIN. Reserving the right to object. Mr. President, what is the order? I thought the order of business was the Wellstone amendment.

The PRESIDING OFFICER. The pending second-degree amendment is the amendment of the Senator from Texas, Senator GRAMM, to the Levin amendment. The Senator from Utah sent up a modification to the Gramm second-degree amendment to the Levin amendment. Is there objection to the modification? Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

Strike all in amendment numbered 778 and insert in lieu thereof the following:

''The Department of Defense and Federal Prison Industries shall conduct jointly a study of existing procurement procedures regulations, and statutes which now govern procurement transactions between the Department of Defense and Federal Prison Industries.

''A report describing the findings of the study and containing recommendations on the means to improve the efficiency and reduce the cost of such transactions shall be submitted to the U.S. Senate committees on Armed Services and the Judiciary no later than 180 days after the date of enactment of this act.''

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

UNANIMOUS-CONSENT AGREEMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that there now be 1 hour for debate on the Wellstone amendment No. 668 equally divided in the usual form, and following that debate time, the amendment be laid aside and the Senate resume consideration of the Gramm amendment No. 794, with 30 minutes for debate equally divided in the usual form.

I further ask unanimous consent that following that debate, the amendment be temporarily set aside and Senator BOXER then be recognized to offer an amendment regarding executive compensation, with a time limitation of 1 hour and 20 minutes equally divided in the usual form.

I further ask unanimous consent that following that debate, Senator BINGAMAN be recognized to offer an amendment regarding space-based laser.

I further ask unanimous consent that there be 2 minutes equally divided in the usual form prior to each vote ordered in the stacked sequence and that at 6 p.m. today, the Senate proceed to vote on, or in relation to, the Wellstone amendment No. 668, to be followed by a vote on, or in relation to, the Gramm amendment No. 794, to be followed by a vote on, or in relation to, the Levin amendment No. 778, as amended, if amended, to be followed by a vote on, or in relation to, the Boxer amendment regarding compensation.

Finally, Mr. President, I ask unanimous consent that no second-degree amendments be in order to any of the above-mentioned amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 668, AS MODIFIED

Mr. WELLSTONE. I thank the Chair. I think we are now on our amendment. I believe it is No. 668. Mr. President, I am going to just take 5 minutes. I am proud to be joined by my colleague from Iowa, Senator HARKIN.

I ask unanimous consent that Senator DASCHLE and Senator KERRY from Massachusetts be added as original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I, again, want to stress support from three organizations that have had a chance to really take a look at this. I think there is broad support from the veterans community—I really hope that we will get a strong vote for this amendment—from the Disabled American Veterans, from the Vietnam Veterans of America, and from the Paralyzed Veterans of America. Earlier I asked unanimous consent that letters of their support be printed in the RECORD.

What we do here is we just simply give the Secretary of Defense discretion authority to transfer $400 million to the VA to restore VA funding for health care. This was cut in the budget resolution.

Again, I want to make it real clear to my colleagues that I don't think any of us really understood that we were going to have these kind of deep cuts in the VA health care budget. I want to, in a couple of minutes, make the point that we are not just talking about abstract numbers and statistics, we are talking about people's lives. In particular, I want to talk about what the VA health care system is dealing with.

First of all, the Persian Gulf veterans. When we had testimony in the Veterans' Committee, it was very, very important that when General Schwarzkopf came in, one of the points he made was one commitment we can make to the gulf war veterans, I say to my colleague from Iowa, is to make sure we do the research as to what happened to them, and, second of all, we make sure that those veterans get the health care that they need.

Mr. President, this has everything in the world to do with defense. They were there supporting our country, and, in addition, let me point out that the Department of Defense, I think if there was any one agency in Government that would be more than willing to transfer a little bit of funding to make sure those veterans get health care, it certainly would be the Department of Defense and the Secretary of Defense.

So it is a mild amendment. It does not ask for much. It just simply says we shouldn't have cut this $400 million. I want to make it real clear on the Senate floor, that if we don't win today—and I hope we will—my colleague and I are, one way or another, absolutely committed to restoring this funding.

You can be talking about the gulf war veterans, you can be talking about the Vietnam veterans, you can be talking about post-traumatic stress syndrome, you can be talking about World War II and Korean war veterans who

are now older and need the care as well. Mr. President, by the year 2000, one out of every three veterans is going to be 65 years of age or older, and 63 percent of all American males over the age of 65 will be veterans. These are the demographics.

So there is nothing more important we can do than to make sure that we live up to our contract to provide these veterans with the support that they need.

What is going to happen if we don't restore the funds? This is my conclusion. It is a simple argument we are making. If we don't restore the $400 million this year, what is going to happen is we are going to accelerate closure of inpatient care, we are going to offer fewer ambulatory services, we are going to reduce long-term care, and we are going to treat fewer veterans. That is what is going to happen. That is wrong. If we want to help veterans, this is an opportunity to do so.

We all love to be in the parades, we all speak at the veterans' gatherings, we all say it is a sacred contract, we all say that we support veterans. Well, Mr. President, we cut $400 million, and my colleagues can ask any veteran in any of your States, and they didn't know about it.

Now is the time to rectify this mistake. Now is the time to take a small amount of money, $400 million, out of $2.6 billion more than the Pentagon asked for and at least give the Secretary of Defense the authority to transfer this funding. I am sure this will happen if we vote for it, and I hope that we get a very strong vote.

This amendment is a justice amendment. We should not be cutting health care services for veterans. The demand is increasing for that care, and we ought to, as U.S. Senators, Democrats and Republicans alike, respond to veterans, we ought to support veterans, and the right thing to do is to vote for this amendment.

I yield the floor, and I thank my colleague from Iowa for all of his support.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. I yield to the Senator from Iowa the remainder of our time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I thank the Senator from Minnesota. How much time do I have, Mr. President?

The PRESIDING OFFICER. Twenty-four minutes and forty-eight seconds.

Mr. HARKIN. Mr. President, I appreciate my colleague, my friend from Minnesota for offering this amendment. I join with him, as he said, in offering it.

He has laid out the case for veterans. We have shortchanged them. I heard someone ask earlier: ''This is the defense bill, this is defense authorization. Later on there will be a veterans bill we can deal with. We deal with veterans later. Why does it belong here?''

It belongs here because, Mr. President, I submit you cannot defend this country unless we first defend our veterans, and that is what the Senator from Minnesota is saying in this amendment. He is right, we have given the Pentagon $2.6 billion more than they even asked for and, at the same time, turned around and cut our veterans health care program by $400 million. What kind of signal does that send to our young men and women in uniform today about their prospects in the future for having their health care needs taken care of if, in fact, they should find themselves in an enclave like those veterans found in Vietnam or the gulf war or Korea or World War II.

Mr. President, there may be those who say if we take this $400 million out of defense, it is going to really hurt our readiness; we can't afford to cut our defense budget for something like this. I would like to take some time to refute that argument and to say, in fact, the military budget that we have today is far too bloated to meet the threats or potential threats that confront our country at this time.

No one disputes that the cold war is over, but some in this body would like to continue funding the Department of Defense as if it never ended. I know the world is still a dangerous place, but we must ask ourselves, is our current defense budget justified by the dangers faced by the United States? I don't believe they are justified.

The fact is, military spending is so high that it can be lowered without endangering national security. Even with the elimination of the Soviet Union, defense spending is still much larger than cold war spending levels. And what is all this money for? What enemy are we going to fight? Is it Cuba who spends less than 1 percent on its military budget? Or Libya, Iraq, Iran or North Korea or Syria? Or are we just going to spend $268 billion next year simply to have a large military? So let's look at some of the figures and take a comparison.

U.S. military spending right now is three times—and look at this chart—our U.S. military spending. Here is the pie chart showing in billions of dollars the amount of money spent by various countries on defense. The United States spends three times more than China, India, Pakistan, Russia, and Vietnam all combined. It is more than double all of our NATO Allies combined. It is larger than the military budgets of the countries with the seven largest standing armies. Most important, the United States will spend nearly twice what all of our potential enemies spend on defense all combined. So if you add up all of our potential enemies, we will spend twice what they will spend on defense, all of them combined.

Some have pointed out we should continue high levels of military spending because we don't know what our potential enemies are. A threat could come from anywhere. Let's assume this is true, for argument's sake. Let's break the world down by countries then, and see what we are talking about in terms of potential threats.

Let us break it down by continents. What if every nation on the most powerful continent besides North America ganged up on the United States? By this, I mean all of Europe. Let us say that all of Europe—Germany and France and Spain and Great Britain and Italy and all these countries that are our friends—what if they all ganged up on us? Very remote, but if they did, we still outspend this potential threat by a great deal, by almost $60 billion. You might say that is ridiculous, in Europe we have our allies, they are in NATO. They are not going to attack us. OK.

What if every power in Africa joined in? Here is Africa down here, remote possibility, but they are only spending about $14 billion a year.

In fact, if you add up all the military expenses of all of Europe, Africa, and South America, combined—let us say that all of the countries of Europe, South America, and Africa all combined together to attack us—we still spend more in defense than all of those three continents all put together.

So I ask again, why are we spending so much money? This is the world. We are spending more than all of these continents all put together.

There is another aspect to our defense. As it stands right now, such a large portion of our discretionary budget goes for defense that we are actually endangering our national security. Our citizens are threatened, the life and health of our country is threatened. Every extra dollar we spend on defense that we do not need to is a dollar less for education, for putting police on the streets, for stopping the drug epidemic, and feeding hungry children.

In fact, the amount of discretionary funding spent on defense totals over 50 percent of the discretionary budget. That means that the portion of the total budget that we actually decide on where it goes overwhelmingly goes for defense. For every dollar that we spend out of this body, over 50 cents goes to defense—not education, not health care, not breakfast feeding for kids in schools, not for flood victims, but for the military.

Here again is a pie chart. Look at it. This is our discretionary dollar that we spend. So 51.5 cents for military; all the rest for everything else. Justice gets 4 cents; housing assistance gets 3 cents; health gets 4.8 cents, transportation 2.7 cents. You wonder why our highways are going to pot and with potholes? You wonder why our railroads are deficient?

Here is energy, less than 1 penny; education, 6 cents; 51.5 cents for the military. Six cents on education. You wonder why our schools are crumbling? You wonder why we are not getting the best possible teachers? Well, we are only spending that much money in education.

Natural resources and environment, 4 cents.

So I think this really graphically shows where our money goes. Over half for defense; less than half for everything else that goes to make us a strong nation.

Some who argue for increased defense spending point out the defense spending has gone down from 1985. I heard that argument early today. A Senator on the floor said, ''Oh, my gosh, the defense budget has been cut by something like 30 percent since 1985.'' OK. Why do you use 1985? Why do we start with 1985, when 1985 was the peak of military spending, the buildup during the Reagan years? So, yes, you can measure it from 1985.

Why don't we measure it from 1980? Let us take the height of the cold war, 1980, when we faced the Soviet Union. Well, our spending today is just about the same, actually maybe just a little bit more than it was in 1980. Yes, we have come down from 1985. But I submit, Mr. President, those who say that we have cut our defense spending are using an arbitrary point. They are using the point at which we had the highest military spending since the war. I say what we ought to use is a baseline like 1980 or 1970. And if we look at those base years, we get a much different level.

So why are we comparing today's spending levels to 1985? The world today is not the world of 1980 or 1985 or 1990. We should be discussing the defense budget in terms of today's threats, that is, unless we plan to take the United States Army and our defense back in time to 1985 and have them fight the Soviet Union. But we will not do that because there is no Soviet Union.

Why does it matter so much what we spent in 1985 when the Soviet Union was a threat? We should look at today's threats and potential threats, match our spending to meet them, not the threats of 1985.

Aside from all that, the Wellstone amendment seeks, as we know, to shift $400 million out of $268 billion. We are saying, take $400 million, shift it over to veterans health care. As the Senator pointed out, we have $2.6 billion more than what the Pentagon asked for. Will we really harm our readiness if we take $400 million out for veterans health? I submit not. Why are we giving the Defense Department more money when they cannot even keep track of the money they have already spent and they are wasting billions on buying equipment they do not need?

Mr. President, in February of this year, I released a General Accounting Office report requested by myself, Congressman DEFAZIO, Senator DURBIN, and Congresswoman MALONEY. This study revealed that over half of the Department of Defense inventory of procured items is overstock; in other words, waste. Of the $67 billion of goods in DOD warehouses, the GAO estimates that $41 billion is unneeded. What do you mean by unneeded? By unneeded, this means the military would never need or use the items even during wartime. Let me repeat that. Of the $67 billion in goods in DOD warehouses, GAO estimated that $41 billion is unneeded even in wartime.

That is not all. Again, here is the inventory. This is what this chart shows. Total inventory is $67 billion. About $41 billion, or 61 percent, of it is in excess of what is needed for operational requirements or for reserve requirements. The needed inventory is about $25.8 billion. So we have all this waste out there that we do not need, and yet you would think it would end. But, it never seems to end. It just continues going on and on and on.

The GAO identified more than $1.1 billion worth of goods—11,000 different items—for which there is a 100-year supply. Imagine that. Do we expect our Army to fight with something 100 years from now that was built today? Bring back the horse cavalry. Maybe that is what today's Army needs, what we used 100 years ago. So 100 years, with 11,000 different items, totaling $1.1 billion.

But that is not all. The GAO also uncovered millions of dollars in DOD inventory items for which there is more than a 20-year supply. Yet, the Pentagon continues to buy more. The justification by the Pentagon for not canceling many of these orders actually border on the bizarre. Some were not canceled because termination ''was not cost-effective'' for any purchase less than $10,000.

Other items are automatically ordered without review or regard to need. The computer just keeps ordering them. As a result, we do not just have warehouses of waste, I call them arsenals of bureaucracy. What we have is Sergeant Bilko manning the warehouse, Beetle Bailey running procurement, and Gomer Pyle checking the list twice.

This photo here shows just one item that was uncovered called a direct linear valve used on a hydraulic pump used on aircraft carriers. The Pentagon has more than a 20-year supply on this item. Although only 8 of those in stock were needed, an additional 66 were on order in 1995. Only 8 were needed, but an additional 66 were ordered.

Again, we asked why the Navy did not cancel the order. Well, they said, termination was not ''cost-effective for any purchase less than $10,000.'' So if it costs less than $10,000, it is cheaper for the taxpayers to buy it. Please, someone, make sense of that for me. If it costs less than $10,000, keep buying it, keep stocking it because it costs more to cancel it. Try selling that to your constituents back home.

Here is another one. This is a circuit board, aircraft circuit board. In 1995, 10 were on order. The only problem was that the Navy had 27 of these, but only 2 were needed for operational and wartime reserve.

That is not the last of it. This is a 1972 state-of-the-art electronic item. So we asked, why did they keep ordering them? Well, according to the item manager, the Navy supply system computer automatically ordered the item and no one bothered to review the order. But not to worry. After the 10 new assemblies of these circuit boards—at more than $1,000 each—were delivered in May, they were automatically routed for disposal. What does that mean? They ordered them; they came in; someone stamped them, shoved them out the backdoor to throw away.

So do not tell me that taking $400 million for veterans health care is going to somehow hurt our readiness or hurt our ability to defend this country from any threats that exist today or any potential threats in the foreseeable future.

But what this $400 million will mean is that those veterans who put themselves in harm's way, who were there to sacrifice life and limb for their country, who were in the gulf war or in Haiti or in Bosnia, Vietnam, Korea, World War II, or even peacetime—I do not mean just to focus on our veterans who were in wartime. What is that saying? It is not just those who are in battle, but those who support those in battle, our peacetime army, our peacetime military.

My brother was a SAC pilot in the Strategic Air Command for 5 years carrying nuclear weapons. None were ever dropped, but this was our front line of defense. This is what kept the Soviet bear in check. So these, too, these veterans also have to be responded to in terms of their health care needs.

So I am talking about all veterans, not just those who have been in actual war but those who were willing, if the orders came, to fight and to perhaps die for their country.

I believe we have an absolute obligation to support our troops not only in time of battle but also at home when the battle ends. I believe we have a special obligation to those in our Armed Forces who were disabled in the service of our country. Veterans programs too often suffer inadequate funding and misguided policies.

As Senator WELLSTONE pointed out, our veterans population is aging rapidly, and the hospital system is stretched to its limits. The proposed cuts to the VA budget, which is already inadequate for the medical needs of veterans, is an unacceptable way to try to balance the budget. These cuts will have a drastic and severe effect on the health of our Nation's veterans, especially those veterans who were disabled in the service of our country.

So what our amendment seeks to do is to alleviate these unfair cuts in the veterans discretionary funding by transferring $400 million from the Department of Defense budget to VA. We can do it. The money is there. If the Department of Defense will just cut down a little bit on their waste and inefficiencies, if we will begin to gear our thinking towards the threats of today

and tomorrow instead of what the world was like 10 and 20 years ago, if we do that, there is plenty of money in the defense budget to make sure that we meet our obligation to our veterans.

I do not think this Senate should do anything less than that. This amendment should be adopted overwhelmingly to send a strong signal not only to our veterans but to those who are serving today that when their time of need comes and they need health care through the veterans system, that this country will stand behind them when they are veterans just as it stands behind them when they are serving in active duty.

Mr. President, I yield the floor.

How much time do we have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 5 minutes 27 seconds.

Who yields time?

Mr. THURMOND. Mr. President, I rise today to oppose the amendments offered by Senator WELLSTONE and any other amendment which lowers defense spending below the level set in the budget agreement. We have a budget agreement with the administration that we should not disregard—an agreement that was widely supported by this body and the administration—and frankly, Mr. President, this agreement itself may not provide enough funding for defense.

Mr. President, our military forces are beginning to show the stress of constrained budget and too many deployments. Funding for modernization and quality of life initiatives is continually diverted to fund current operations with promises to fix the modernization problem in the future. This is no longer acceptable. It should not be acceptable to any of the Members of this body.

The Department of Defense is continuing their downsizing. This year's defense budget request represents lowest percent of our GDP in the last 57 years. Force levels have shrunk from 2.1 million service members at the end of the cold war to 1.4 million today. Annual spending in the Department of Defense has decreased in the last 10 years from $375 to $250 billion in inflation adjusted dollars. Even at the level of funding proposed in the budget agreement, the Quadrennial Defense Review is recommending force structure reductions up to 130,000 military personnel as well as reductions in key modernization programs.

Mr. President, I believe that a mismatch is developing between strategy and actual force capability. GAO and CBO have both given estimates to the underfunding of the modernization accounts. The budget agreement does not fully fund defense. It does represent what funds are available. Funding defense at the levels proposed by these amendments will have serious impacts on the readiness and quality of life of our service personnel.

Command Sergeants Major Alley, U.S. Forces Command, has summed it pretty well when he stated.

Our soldiers do not ask for much. What they do ask for is stability in deployments, adequate housing, quality-of-life programs, and adequate compensation.

Mr. President, if this body allows these amendments or other amendments to lower defense spending below what was agreed to—I repeat, was agreed to—in the budget agreement, we will be responsible for the impacts on the readiness of our forces, we will increase the tempo of our operating forces, and we will not be able to provide the quality of life programs, our service members deserve.

I suggest the absence of a quorum and I ask unanimous consent that the time be equally divided between both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I move to table the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

Mr. GRASSLEY. I thank the Chair.

Mr. President, I ask unanimous consent to speak as if in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1003 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 794, AS MODIFIED

Mr. HATCH. Mr. President, what is the pending business?

The PRESIDING OFFICER. The regular order is the Gramm amendment.

Mr. HATCH. Thank you, Mr. President.

Mr. President, I rise to speak again in opposition to the Levin amendment, and in support of the Gramm second degree amendment. The Levin amendment, if enacted, would cripple Federal Prison Industries, by essentially eliminating the only market for its products. FPI is not permitted to compete for sales in the private market. It may only sell to the Federal Government, and then only if it can meet price, quality, and delivery requirements. I do not believe that Senator LEVIN is suggesting that we change the law and allow FPI to compete for business in the general market place. Yet, if we effectively eliminate the Government market for FPI goods, and FPI cannot sell its products to the public, who will its customers be?

Those advocating elimination of the FPI's Government procurement preference suggest that their goal is only a level playing field, and complain the FPI wages ensure unfair competition. Yet, they do not mention the tremendous costs and inefficiencies inherent in operating a manufacturing operation behind bars. FPI endures security and work force challenges few private plant managers can even imagine.

FPI puts 100 percent of its revenues back into the private sector. Thousands of private sector jobs depend on supplying FPI with materials and services. My colleagues should ask themselves, if FPI is forced to close its factories, what will replace those private sector jobs?

FPI is also an essential prison management and rehabilitation tool. Any corrections officer will tell you, the most dangerous inmate is the idle inmate. Idleness breeds frustration, and provides ample time to plan mischief—a volatile combination. Yet, despite the references to the costs imposed by FPI by my colleagues who support this amendment, I have heard no one suggest how the taxpayers will pay for the new prison programs and the additional prison guards that might be needed if FPI factories are forced to close.

Either we want Federal inmates to work, or we do not. I believe that we do want inmates to work, and therefor I must oppose this amendment. I say to my colleagues, if you believe in maintaining good order and discipline in prisons, or if you believe in the rehabilitation of inmates when possible, you should be opposed to this amendment.

The Gramm amendment provides a better approach, by requiring a study and report to Congress on FPI and FPI's market needs and impact. As Chairman of the Judiciary Committee, I have a strong interest in this issue. I would note that my colleagues who support the Levin amendment have not approached me about addressing this issue in the Committee.

Congress should consider this issue carefully before effectively eliminating a prison program that has served the Nation well for 60 years. This is particularly the case, as my friend from Texas has pointed out, that Congress allows no other market for prison-made goods and services. If we are going to consider eliminating the government sales preference, I believe it appropriate for us to also consider permitting prison goods to be sold on the open market as well.

However, even then they may not be competitive because of the differences of efficiency between those who are about a quarter as much productive as the private sector workers are.

Prison security and prisoner rehabilitation are too important matters to risk hurried action based on emotion. I urge my colleagues to reject the Levin proposal and adopt the Gramm substitute amendment.

Mr. President, this is an important issue. I hope our colleagues will pay attention to it. I would hate to see what would happen to our prisons if we didn't have this privilege of helping these people to do meaningful work and have the opportunity of selling their goods and services that will be from a quality and price standpoint and delivery standpoint competitive with the private sector.

Mr. President, I reserve the remainder of our time.

I understand the distinguished Senator from Texas will be here later. I would like him to have the remaining part of the time.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I yield myself 5 minutes in support of my amendment which is cosponsored by Senators ABRAHAM, ROBB, HELMS, KEMPTHORNE, DASCHLE, and BURNS.

The issue really is the opportunity to sell goods and services. That is, indeed, the issue. The question is whether or not the private sector ought to have the opportunity to sell its goods and services when its price is better than the price of Federal Prison Industries. That is the issue.

The national performance review had as one of its reforms in procurement that we should require Federal Prison Industries to compete commercially for Federal agency business. That is what we are talking about—whether they ought to have a monopoly so that even though their goods are higher in price, Federal Prison Industries is able to say that an agency must buy their product. That wasn't the intent of the Federal Prison Industries law. The intent was that they are supposed to be competitive. They have all kinds of advantages.

The labor prices in prisons, needless to say, range from something like 23 cents an hour to $1.15 an hour. They don't pay income tax, no medical benefits, no retirement, and no benefits, obviously. So they have tremendous economic advantage to begin with. Nonetheless, with all of those advantages, what we have said is, if they can produce something more cheaply than the private sector, that the Federal agencies ought to be able to buy that product, and they should. What this amendment simply says is that if the private sector, despite all of the advantages that Federal Prison Industries has in terms of cheap labor—no income tax, no medical costs, and so forth charged to the product —if, despite all of that, a business can produce a product more cheaply that it ought to be able to sell that product to its Government.

So the issue is exactly the opportunity to sell goods. But it is the opportunity for business people in the private sector to sell goods to their Government. The frustration level is very high here. We get letters from people—veterans who write us, who say, ''Is it justice that Federal Prison Industries would step in and take business away from a disabled Vietnam vet twice wounded fighting for the country effectively destroying and bankrupting that hero's business which the Veterans' Administration suggested he enter?''

This is a man who can't bid. He is not allowed to bid on a product his own Government is buying.

Here is a letter that comes in from Colorado from Access Products of Colorado. The award in this case went to Federal Prison Industries, although the charge to the Air Force was $45 for this particular unit. This private sector guy was offering it at $22 per unit. So the taxpayers are paying twice as much, and he is not allowed to sell a product that he makes on the outside to his Air Force.

The private sector is very deeply involved in my amendment, and very strongly supportive of it. The NFIB strongly supports it. The chamber of commerce strongly supports the Levin-Abraham amendment. The National Association of Manufacturers strongly support this amendment. The reason they support it is because of the principle that it embodies—the principle of competition. That principle is that people who are in business struggling to make a living wanting to sell to their Government ought to at least be allowed to bid competitively against Federal Prison Industries which has tremendous advantage and does frequently underbid the private sector because of those advantages in terms of labor costs and all the other advantages they have.

That frequently happens, that their prices are much lower than the private sector because of all those advantages. But when the private sector is able to produce a product, be it clothing or furniture, or whatever, more cheaply than Federal Prison Industries, it ought to be allowed to sell to its Government. And that is why this issue is so important to the private sector.

My time is up. I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, while I am on my feet, let me just yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LEVIN. I wish to introduce a letter from a coalition called the Competition in Contracting Act Coalition. I want to read this letter because it is short and it states our case, I think, very well.

The coalition is made up of 28 organizations, 204 businesses that support the Levin-Abraham amendment relative to the mandatory source status of Prison Industries. And this is what the letter goes on to say:

> Your legislation would allow businesses to compete with the FPI for Federal contracts. Today they are prohibited from doing so. If a product is made in a Federal prison and Federal agencies are forced to buy that product, the only way around the requirement is for an agency to seek a waiver from FPI . . . Your bill would implement a recommendation of the National Performance Review which stated that our Government should ''take away the Federal Prison Industries status as a mandatory source of Federal supply and require it to compete commercially for Federal agencies' business.''
>
> This solution would help manufacturers by eliminating the barrier to competition and allowing the bid process to take place. It would help Government agencies by allowing them to compare price and quality from a broad array of sources.

I ask unanimous consent, Mr. President, if this letter is not already made part of the RECORD, it be made part of the RECORD, including the list of 204 businesses that are part of this coalition that come, I think, from just about every one of our States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COMPETITION IN CONTRACTING ACT COALITION,
Washington, DC, June 19, 1997.

Hon. CARL LEVIN,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR LEVIN: Our national coalition of 28 organizations and 204 businesses is known as the Competition in Contracting Act Coalition. We are in full support of your effort to reform Federal Prison Industries, Inc. (FPI) by ending its mandatory source status.

Your legislation, S. 339, would allow businesses to compete with FPI for federal contracts. Today, they are prohibited from doing so. If a product is made in a federal prison, then federal agencies are forced to buy that product. The only way around the requirement is for an agency to seek a waiver from FPI, also known as UNICOR.

S. 339 would implement a recommendation of the National Performance Review which stated that our government should ''Take away the Federal Prison Industries' status as a mandatory source of federal supplies and require it to compete commercially for federal agencies' business.'' This solution would help manufacturers by eliminating the barrier to competition and allowing the bid process to take place. It would help government agencies by allowing them to compare

price and quality from a broad array of sources.

The damage being done to our private sector economy by federal prison factories is getting worse every year. Attached is a copy of our coalition membership list, all of whom support your effort to save private sector jobs and bring fairness to companies trying to work with the federal government.

Sincerely,

BRAD MILLER,

Manager of Government Affairs, BIFMA International and Contact Person, Competition in Contracting Act Coalition.

MEMBERS AS OF JUNE 19, 1997

Abbey Business Interiors, Fresno, California.
Abear Construction Ltdc Co., Albuquerque, New Mexico.
ABCO Office Furniture, Florence, Alabama.
Access Products, Colorado Springs, Colorado.
Adden Furniture, Inc., Alexandria, Virginia.
ADM International, Inc., Chicago, Illinois.
AGI, High Point, North Carolina.
Alexander Patterson Group, Inc., Dayton, Ohio.
All Makes Office Equipment Company, Omaha, Nebraska.
American Apparel Manufacturer's Association, Arlington, Virginia.
American Furniture Manufacturer's Association, High Point, North Carolina.
American Seating company, Grand Rapids, Michigan.
American Society of Interior Designers, Washington, D.C.
American Traffic Safety Services Association, Fredericksburg, Virginia.
American Space Planners, Inc., Baltimore, Maryland.
ANADAC, Arlington, Virginia.
Apex Office Supply & Deskin, Inc., Oak Ridge, Tennessee.
Architectural Woodwork Institute, Reston, Virginia.
Arkwright Mills, Spartanburg, South Carolina.
ASC Office Furniture, Alexandria, Virginia.
Aspects, Inc., Redlands, California.
Automation Products, Inc., Newport News, Virginia.
Batty & Hoyt, Inc., Rochester, New York.
Bayer Corporation, Pittsburgh, Pennsylvania.
Bernhardt Contract, Lenoir, North Carolina.
Bevis Furniture, Florence, Alabama.
BIFMA International, Grand Rapids, Michigan.
BKM Total Office, San Diego, California.
BKM Total Office of Texas, Dallas, Texas.
Blount Associates, Laguna Beach, California.
Boring Business Equipment, Lakeland, Florida.
BPI, Inc., Kent, Washington.
Brenner Tours, Hopkins, Michigan.
Brent Industries, Inc., Brent, Alabama.
Bristol Industries, Inc., Mentone, California.
The Buckstaff Company, Oshkosh, Wisconsin.
Business Accessories/Colecraft, Lancaster, New York.
Business Coalition for Fair Competition, Annandale, Virginia.
Business Environments, Albuquerque, New Mexico.
Business Interiors, Inc., Denver, Colorado.
Business Products Industry Association, Alexandria, Virginia.
Business Resource Group, San Antonio, Texas.
Business & Associations for a Strong Economy, Lansing, Michigan.
California Business Interiors, Sante Fe Springs, California.
Carolina Business Furniture, Archdale, North Carolina.
Capitol Furniture Distributing Company, Fort Lauderdale, Florida.
Jack Cartwright, Inc., High Point, North Carolina.
CDM Contract Furnishings, Inc., Austin Texas.
Cedar Crest Banquet Centre, Marshall, Michigan.
Centercore Group, Plainfield, New Jersey.
Coalition for Government Procurement, Washington, D.C.
CONCO, Inc., Louisville, Kentucky.
Contract Interiors, Columbia, South Carolina.
Comfortage Industries, Gurnee, Illinois.
Computing Technology Industry Association, Lombard, Illinois.
Contemporary Galleries of WV, Charleston, West Virginia.
Contract Marketing Group, Inc., Chicago, Illinois.
Country Manor Real Estate & Rentals, Onondacia, Michigan.
Creative Apparel, Associates, Belmont, Maine.
Creative Office Pavilion, Boston, Massachusetts.
Creative Office Seating, Philadelphia, Pennsylvania.
CYSI, Washington, D.C.
Danco Resource Group, Grand Rapids, Michigan.
Dehler Mfg. Co. Inc., Chicago, Illinois.
Delta Graphic, Inc., Chester, Virginia.
Direct Contract Associates, Inc., Springfield, Virginia.
EAC Integrated Furniture Solutions, St. Louis, Missouri.
Economy Office Furniture, Fresno, California.
Eckadams, Ewing, New Jersey.
Executive Office Concepts, Compton, California.
FHB Byde Company, East Lansing, Michigan.
Facilities Plus, Inc., Cincinnati, Ohio.
Fixtures Furniture, Kansas City, Missouri
Flex-Y-Plan Industries, Inc., Fairview, Pennsylvania.
Foldcraft Co., Kenyon, Minnesota.
Furniture Group Industries, Inc., Fridley, Minnesota.
Furniture Source, Hendersonville, Tennessee.
Future Media Products, Inc., Orlando, Florida.
G & T Industries, Inc., Grand Rapids, Michigan.
G/M Business Interiors, San Bernardino, California.
Garrett Container Systems, Inc., Accident, Maryland.
Gasser Chair Co., Inc., Youngstown, Ohio.
General Engineering Service, Inc., Forest Park, Georgia.
GF Office Furniture, Ltd., Canfield, Ohio.
Girsberger Office Seating, Smithfield, North Carolina.
Global Industries, Inc., Marlton, New Jersey.
Glotzbach & Co., Manassas, Virginia.
The Glove Corporation, Alexandria, Indiana.
Goodmans, Inc., Phoenix, Arizona.
Grand Rapids Area Chamber of Commerce, Grand Rapids, Michigan.
Grand Rapids Area Furniture Manufacturers Association, Grand Rapids, Michigan.
Gregson Furniture, Liberty, North Carolina.
The Gunlocke Company, Wayland, New York.
Hard Copy Recycling, Longmont, Colorado.
Harter, Chicago, Illinois.
Haworth, Inc., Holland, Michigan.
Herman Miller, Inc., Zeeland, Michigan.
Holga, Inc., Van Nuys, California.
Hon Industries, Inc., Muscatine, Iowa.
Horace Small Apparel Company, Nashville, Tennessee.
Horn & Associates, Chicago, Illinois.
Howe Furniture Corporation, Trumbull, Connecticut.
Indiana Furniture Industries, Jasper, Indiana.
Industrial Fabrics Association International, Washington, D.C.
Industrial Safety Equipment Association, Arlington, Virginia.
Innospace, Inc., Arlington, Virginia.
Integra, Inc., Walworth, Wisconsin.
Interior Design Services, Inc., St. Petersburg, Florida.
Interior Dynamics, Troy, Michigan.
Interior Elements, Inc., Columbia, Maryland.
Interior Marketing Group, Belair, Maryland.
Interior Showplace, Honolulu, Hawaii.
International Hand Protection Association, Bethesda, Maryland.
International Interior Design Association, Chicago, Illinois.
Interstate Companies of Louisiana, Baton Rouge, Louisiana.
Inwood Office Furniture, Jasper, Indiana.
Ivan Allen Company, Huntsville, Alabama.
JG/ALMA, High Point, North Carolina.
Jopco, Inc., Jasper, Indiana.
Jones Vision Center, East Lansing, Michigan.
Keystate, Inc., Johnstown, Pennsylvania.
Kd Office Works, Hudson, New York.
Kimball International, Inc., Jasper, Indiana.
Kitchen Cabinet Manufacturers Association, Reston, Virginia.
Knoll, Inc., Pittsburgh, Pennsylvania.
Lancaster Office Equipment & Supplies, Lancaster, Pennsylvania.
Laser Junction, Inc., Grand Junction, Colorado.
Laser Point, Denver, Colorado.
Laser Re-Nu, Inc., Phoenix, Arizona.
Lazertronix, Inc., Englewood, Colorado.
La-Z-Boy, Inc., Monroe, Michigan.
Leather-Link, Inc., High Point, North Carolina.
Leathercraft, Inc., Conover, North Carolina.
Liberia Mfg. Corp., Abbotsford, Wisconsin.
Loth MBI, Cincinnati, Ohio.
Management Association for Private Photogrammetric Surveyors, Reston, Virginia.
Marvin J. Perry & Associates, Kensington, Maryland.
Mid-Michigan Stamps and Signs, Lansing, Michigan.
Machabee Office Environments, Las Vegas, Nevada.
Magna Design, Inc., Lynnwood, Washington.
Marco Co., Temecula, California.
Mark V Office Furniture Co., Philadelphia, Pennsylvania.
The Marvel Group, Chicago, Illinois.
Maryland Business Interiors, Beltsville, Maryland.
McAllister Office Pavilion, Calabasas Park, California.
McCormack Design, McLean, Virginia.
McLain Group, Lanham, Maryland.
McNichol Associates, Stevensville, Maryland.
Midwest Office Environments, Inc., Topeka, Kansas.
Meier and Associates, Murrieta, California.
Meyer and Lundahl Manufacturing, Pine, Arizona.
MVR (Military Veterans-Retired), Savannah, Georgia.

NATCO, Inc., Lanham, Maryland.
National Association of Manufacturers, Washington, D.C.
National Association of Uniform Manufacturers and Distributors, New York, New York.
Nello Wall Systems, Jessup, Maryland.
New Life Toner, Inc., San Antonio, Texas.
North West Woolen Mills, Woonsocket, Rhode Island.
Novikoff, Inc., Fort Worth, Texas.
Nucraft Furniture Co., Comstock Park, Michigan.
Office Concepts, Oklahoma City, Oklahoma.
Office Interiors America, Omaha, Nebraska.
Office Interiors Plus, Lancaster, California.
Office Pavilion, Washington, D.C.
Office Pavilion/Contract Furnishers of Hawaii, Honolulu, Hawaii.
Office Plus of Lake County, Waukegan, Illinois.
Omni International Inc, Vernon, Alabama.
Omnifics Inc, Alexandria, Virginia.
O'Brien Partition Co Inc, Kansas City, Missouri.
O'Sullivan Industries, Lamar, Missouri.
Panel Concepts Inc, Santa Ana, California.
Parker & Anderson, Manassas, Virginia.
The Pender Company, Abilene, Texas.
Performance Textiles Inc, Greensboro, North Carolina.
Power Plus Inc, Ormond Beach, Florida.
Progressive Technologies of America Inc, Chantilly, Virginia.
Propper International Inc, St. Louis, Missouri.
Quarters Furniture Manufacturer's Association, Columbia, Maryland.
R&R Uniforms, Nashville, Tennessee.
Rainbow Ink Jet LLC, Louisville, Colorado.
RCS Millwork Inc, Ankeny, Iowa.
Recycled Computer Cartridges, Loveland, Colorado.
Reesmar Sales & Millwork Corp, Hialeah, Florida.
Rosemount Office Systems, Lakeville, Minnesota.
Ryba's International, Hunt Valley, Maryland.
Salina Planing Mill Inc, Salina, Kansas.
Scott Rice of Kansas City Inc, Kansas City, Missouri.
Servicemax, Westminster, Colorado.
Sevea Staves, Clifton, Virginia.
Shelton Keller Group, Austin, Texas.
Small Business Association of Michigan, Lansing, Michigan.
Small Business Legislative Council, Washington, D.C.
Source International, Shrewsbury, Massachusetts.
Southwest Contract Sales, Eddy, Texas.
Star Fitness Center, Marshall, Michigan.
Steelcase Inc, Grand Rapids, Michigan.
Superior Recharge Systems Inc, Dallas, Texas.
Sweeper Metal Fabricators Corporation, Drumright, Oklahoma.
Syspro, Colorado Springs, Colorado.
3P5 Inc, Littleton, Colorado.
Tab Products Co, Palo Alto, California.
Technique Mfg. Inc, Hutchinson, Kansas.
Texas Association of Cartridge Remanufacturers (TACR), San Antonio, Texas.
TMI Systems Design Corp, Dickinson, North Dakota.
TR Manufacturing Inc, Lancaster, New York.
The Townsend Group, Lafayette, California.
Thomasville Office Furniture, Thomasville, Georgia.
Thosani Inc, West Berlin, New Jersey.
Transwall Corporation, West Chester, Pennsylvania.
Trendway Corporation, Holland, Michigan.
Trussbilt Inc, New Brighton, Minnesota.
Tulsa Office Furnishings, Tulsa, Oklahoma.
Tuohy Furniture Corporation, Chatfield, Minnesota.
UDI Corp, Springfield, Massachusetts.
U.S. Armor Corp, Santa Fe Springs, California.
U.S. Chamber of Commerce, Washington, D.C.
U.S. Hispanic Chamber of Commerce, Washington, D.C.
Valley Forge Flag Company Inc, Womelsdorf, Pennsylvania.
Vecta, Grand Prairie, Texas.
Versteel, Jasper, Indiana.
Vogel Peterson, Garden Grove, California.
Walsh Bros. Office Equipment, Phoenix, Arizona.
Washington Textile Environmental Council Gig Harbor, Washington.
Waters Corporation, Melbourne, Florida.
We Wood Co, New Providence, New Jersey.
Western Government Supply, San Francisco, California.
Westin-Nielsen Corporation, St. Paul, Minnesota.
Wiley Office Equipment Company, Springfield, Illinois.
William H. Prentice Inc, Buffalo, New York.
Word Data Furniture Systems Inc, Gaithersburg, Maryland.
Wyandot Seating, Bucyrus, Ohio.
Yorktowne Team Sports, Cockeysville, Maryland.

Mr. LEVIN. Finally, Mr. President, I want to just make reference to two examples, two Federal agencies that believe the current system is totally inefficient and wasteful.

First, the Veterans Administration has sought the repeal of the mandatory preference on several occasions because Federal Prison Industries pricing for textiles, furniture and other products is routinely higher. The VA officials estimate that the repeal of the preference will save $18 million over a 4-year period for their agency alone, making that money available for veterans services.

Mr. President, the estimate that we have received based on testimony from the deputy director of Defense Logistics in a 1996 letter to the House of Representatives is that Federal Prison Industries has a 42-percent delinquency rate. This is the deputy commander of the Defense Logistics Agency. He says that FPI has a 42-percent delinquency rate compared to a 6-percent delinquency rate for commercial industry—7 times the delinquency rate. And for that record of poor performance, Federal Prison Industries prices were an average of 13 percent higher than commercial prices.

I yield 1 additional minute to complete my statement here, Mr. President.

Some years earlier, the DOD inspector general had made a similar assessment and reached a conclusion that FPI contracts were more expensive than contracts for comparable commercial products by an average of 15 percent.

So here you have the Defense Logistics Agency in 1996 saying that the prices were 13 percent higher than commercial prices. The DOD inspector general a few years earlier in a study said comparable commercial prices are 15 percent cheaper than Federal Prison Industries.

We are not suggesting in any way that Federal Prison Industries not be allowed to compete. Quite the opposite. It is fine that they compete, and it is fine that people are working. But it is also fine that people work on the outside and they should not lose their jobs on the outside when they can produce something more cheaply with all the advantages that people have on the inside in terms of cheap labor. If people working on the outside can produce a product more cheaply, for heaven's sake, it seems to me fundamental fairness is that the person not in prison be allowed to sell to his own Government a product that he can produce more cheaply than can be produced inside of that prison.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRAMM. Mr. President, we have heard an interesting debate here about competition when there is no competition. I would like to remind my colleagues that prior to the Great Depression, we had the model prison labor system in America. Prior to the Great Depression, prisoners in America worked 10 hours a day 7 days a week. They paid for substantial parts of their incarceration by working. They produced goods and services that were sold, and people from all over the world came to look at our prison system to try to model theirs after it.

In the Great Depression, special interest groups took control of this issue and in three bills, the Hawes-Cooper Act of 1929, the Sumners-Ashurst Act of 1935, and the Walsh-Healey Act of 1936, we, No. 1, removed the interstate commerce protections for prison-made goods; No. 2, made illegal the interstate transportation of goods produced by prison labor; and, finally, we prohibited the use of inmate labor. In other words, in the Great Depression we criminalized prison labor in America. As a result, we have the absurd situation that today we have 1,100,000 prisoners, State and Federal, most of whom are young men, physically vigorous, on whom we are spending $22,000 a year to keep, those who are in the Federal penitentiary, in the Federal penitentiary, and yet it is illegal for us to require them to work when the average taxpayer pays $200 a year for the cost of keeping them in prison.

All these people who are talking about competition are the very people who oppose letting us have a system where prison labor works to produce something of value that can be sold to

pay for their cost of incarceration. In fact, so much have we limited prison labor in America that the only thing Federal prisoners are allowed to do is to produce goods to sell to the Government, and, as a result, hundreds of thousands of them sit idle watching color television in air-conditioning while the back of working men and women in America is broken in paying for them to be in prison.

We have an amendment that comes along now and says the only work requirement we have is producing things for the Government and let us end it. All of this business about competition would be believable if there were a proposal here to let prison labor compete in the marketplace, but that has already been eliminated. This is a final effort to end prison labor in America.

Let me touch on a few of these issues. First of all, there is a big dispute about the facts here, a big dispute about the facts, which is why I have offered a second-degree amendment. If we listen to Senator LEVIN, we get the idea that everybody is unhappy with the products produced by prison labor, that they are noncompetitive in price, and that everybody would like to have an alternative.

The facts are that during fiscal year 1996, Federal Prison Industries received more than $446 million in waiver requests. These are Government agencies that say we do not want to use prisonmade goods. We want to go into the private sector. Of those requests, 92 percent or $410 million were granted, and those contracts went into the private sector. And the average amount of time that it took to get those requests approved was 4 days.

So something is wrong here. Either these figures from the Bureau of Prisons are wrong or Senator LEVIN is wrong. The problem is I have great confidence in both, and what I have done is offer an amendment to get the facts, to do a study that would involve the Bureau of Prisons and their work program and the Defense Department so that we can know exactly what the facts are.

Here is how the system works. The current system works in that the Government uses prison labor where the Government agrees on the price and where Government is given the ability to not use prison labor by applying for a waiver, and in 92 percent of the cases that waiver was granted.

What do we do with the money that comes from prison labor?

One of the things we do is we pay for victim restitution. By making prisoners work, we earn money that goes to victim restitution.

I ask unanimous consent that a letter opposing the Levin amendment from the National Victims Center be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL VICTIM CENTER
Arlington, VA, July 10, 1997.

Senator PHIL GRAMM,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR GRAMM: On behalf of the National Victim Center and the 40 million Americans victimized by crime each year, I write to express our strong opposition to Senator Carl Levin's amendment (S. Amdt. No. 778) to be offered to S. 936, the defense authorization bill, concerning purchases from federal prison industries.

This amendment raises a panoply of concerns at both the federal and state levels, and will literally take away desperately needed funds for victims of crime who are trying to piece their lives back together in the aftermath of violence.

At the state level, many states require a percentage of money deposited into inmate accounts—including inmate earnings from prison industries—to be collected to support statewide funds for crime victim assistance programs as well as to satisfy court-ordered restitution for victims. For example, in California, during fiscal 1995–1996, the state Prison Industry Authority (PIA) deducted 20% of the inmate wages and transfers (or the balance of victim restitution orders or court-ordered fines, whichever was less) to pay for crime victim assistance programs and restitution orders. The total PIA payroll for inmates during that year was $6.4 million 20% of which was authorized to be swept up by the State of California to assist crime victims. To take away those desperately needed victim assistance funds is a slap in the face of the already wounded.

At the federal level, we are deeply concerned that the Levin amendment would thwart the Federal Bureau of Prisons' (BOP) efforts to collect an estimated $4–5 million from prison industries each year, funds that are directly deposited to the Crime Victims Fund, money that funds thousands of victim services programs across the country, as well as used to satisfy victim restitution orders.

We also have strong concerns that removing the federal prison industries (sole-source) procurement requirement will lead to increased prison idleness, affecting security issues in prison and for all us. The Levin amendment, by introducing competitive bidding into the procurement process, will not increase prison work, but it will reduce prison work. The amendment poses too great a risk that prison industries will be unable to compete effectively. If the prison industries cannot compete, corrections systems will have less money coming into the prisons to fund expansion or additional prison programs including prison industries, leading to prison idleness and increased security risks.

Our concerns are shared by Aileen Adams, Director of Office for Victims of Crime; Larry Meachum, Director of the Corrections Office, Office of Justice Programs, Department of Justice; and Dr. Kathleen Hawk, Director, Federal Bureau of Prisons.

We strongly urge you to stand up for victims of crime and oppose the Levin Senate Amendment No. 778 to the defense authorization bill.

Sincerely yours,

DAVID BEATTY,
Director of Public Policy.

Mr. GRAMM. Let me read two paragraphs from this letter.

On behalf of the National Victims Center and the 40 million Americans victimized by crime each year, I write to express our strong opposition to Senator CARL LEVIN's amendment . . .

This amendment . . . will literally take away desperately needed funds for victims of crime who are trying to piece their lives back together in the aftermath of violence.

In other words, the money earned by having prisoners work we are using in part to compensate victims. And the National Victims Center is opposed to the Levin amendment because they are concerned about the loss of restitution.

Let me also remind my colleagues that working prisoners is critically important, and let me read you a couple of sentences from a letter we received from the Assistant Attorney General.

Federal Prison Industries is the Bureau of Prisons' most important, efficient and cost-effective tool for managing inmates. It keeps inmates productively occupied and reduces inmate idleness and the violence and disruptive behavior associated with it. Thus, it is essential to the security of Federal prisons and the communities in which they are located and is essential to the safety of the Bureau of Prisons' staff and inmates.

They go on to say that the findings are overwhelming that where we make prisoners work and where they acquire skills in working, the probability that they will get out of prison and go back and commit other crimes falls dramatically.

I went through these numbers earlier today, but let me do it again. In the State of South Carolina, ably represented by the chairman of the Armed Services Committee, those prisoners who participate in work in prison industries have a probability of recommitting crimes that put them back in prison of 2 percent. Those who do not work in prison industries have a probability of ending up back in prison of 35 percent. Those numbers in Florida are an 11 percent recidivism rate, that is, probability of ending up back in prison again after they get out, for those who work in prison industries; 27 percent for those who do not. In Wisconsin, it is 11 percent versus 22 percent; in Kentucky, it is 36 versus 65 percent.

So, basically, this is not an issue of procurement efficiency. This is an issue of whether or not we are going to end the last vestige of prison labor in America. We ought to be debating opening up to allow prison labor to produce component parts, to manufacture items that we are currently importing, to produce things without glutting local markets and driving down prices.

We ought to have a goal of putting prisoners to work 10 hours a day, 6 days a week, with a goal of having them fund at least half of their cost of incarceration. That is what we ought to be debating. In fact, 2 years ago, we did debate it when I, as chairman of the subcommittee with jurisdiction over the appropriations for prisons, tried to make that change. And yet the same special interest groups, labor unions, and manufacturers, who today want to kill the last vestige of prison labor, said, ''no,'' let the average taxpayer spend $200 a year keeping people in prison but don't let the inmates work and produce anything of value and sell it.

I think this is a ridiculous position to be in. I think it hurts our criminal

justice system. I think it increases recidivism, where people get out of prison and they don't have the discipline of having worked, they don't have any skills, and they go out and recommit crimes.

So, what the Levin amendment would do is say let's stop prison labor so there is then nothing left of a system that once had virtually every person in prison working. I think this is a bad amendment. I have offered a second-degree amendment to get the facts, and I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. COATS). Who yields time? The Senator from Michigan has 5 minutes 8 seconds.

Mr. LEVIN. I yield the 5 minutes 8 seconds to my dear colleague.

Mr. ABRAHAM. May I ask how much time is left on the other side?

The PRESIDING OFFICER. The Senator from Texas has exactly 1 minute remaining.

The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I want to be very explicit about both my position on the issue of prisoners working as well as what the intent of this amendment is that I am a cosponsor of. First of all, I believe prisoners should work. I am not for a no work policy. I support many of the ideas that are embraced by the Senator from Texas in his previous efforts to expand the type of work that prisoners do.

Second, this amendment is not a prisoners-don't-work amendment. The only conditions where prisoners stop working would be if the Federal Prison Industries are operating at an uncompetitively high level of price for the products that they produce. If that is true, then what it means is that the taxpayers are subsidizing the work of the Federal Prison Industries by allowing that operation to basically function at an above-market cost.

If that is true, then the Senator from Texas should be on our side with respect to this amendment because it would mean that not only are the taxpayers paying for the costs of running prisons and the incarceration, it would mean they are also paying extra for these products that are manufactured in the prisons. They are paying both through the front door and through the back door. If our goal here is to not have the taxpayers continue to subsidize at such a significant level the efforts and activities of those in prison, it would seem to me the direction we are seeking to move makes a lot of sense because it will drive down the cost to the taxpayers of the goods and services produced by the Federal Prison Industries or by others who would compete with them. In fact, if we are going to go ahead and subsidize the work done in the prisons, at least we ought to take a step of subsidizing work that doesn't compete with that performed already by people in the private sector in this country.

All we are asking for with this amendment is a level playing field to allow manufacturers to compete with the Federal Prison Industries for Government contracts. I think it would be incongruous for us to go in a direction in which we would continue to subsidize, through taxpayer moneys, products that are overpriced. It just does not make sense. We talk here all the time about trying to save money. This is one way that we would, I think, generate the kind of lower cost of Government that we all profess to support.

My point is very simple. I am not opposed to the broad concepts that the Senator from Texas has outlined. I am very comfortable with them. I think prisoners should work. I think we should find ways to make the industries in the prisons focus on areas that do not compete with the private sector in our States. But what really is very hard for me to explain to my constituents is why they should send their tax dollars to Washington to then be spent in support of the Federal Prison Industries to buy the goods and the services of the prison industries, to then put them out of jobs. That seems to me to be the least sensible course for us to take.

So I strongly support this amendment. I have no trouble with the notion of getting more facts, but I think that really is just an effort to delay this.

I think we may have another speaker here, so I am going to yield the floor. I appreciate the efforts of those who are pressing for the Levin amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, Senator KEMPTHORNE has the remainder of our time. How much is that?

The PRESIDING OFFICER. The Senator from Idaho will have 1 minute 20 seconds.

Mr. KEMPTHORNE. Mr. President, I listened to the very good remarks of the Senator from Texas and I agree wholeheartedly with the Senator from Texas when he says we ought to open up Prison Industries to further opportunities. I will join the Senator from Texas in seeking every opportunity to do that, because prisoners should be working.

These prisoners that he referenced should not be sitting in the air-conditioned cells watching color TV all day with three square meals and everything else given to them while they are giving nothing back as far as contributing to society. So we should have these opportunities.

But the key word that is left out is competition. They ought to do it competitively. There is no reason in the world why we should have these jobs being done in the prisons and the product produced that then has to be subsidized. I think we have the intelligence within our prison management that we can have them produce that product but it can still be competitive in the marketplace. I know that is something the Senator from Texas understands, is good competition.

So I support the amendment offered by Senators LEVIN and ABRAHAM, and will support them, but will also look for those opportunities with the Senator from Texas to find ways of expanding Prison Industries so we can have more jobs among prisoners.

I yield the floor.

The PRESIDING OFFICER. All time under the control of the Senator from Michigan has expired. The Senator from Texas has 1 minute remaining.

Mr. GRAMM. Mr. President, let me first say I appreciate our colleague from Idaho. I don't doubt what he says is true. But as a person who has now fought for 13 years to change laws that prohibit prison labor, let me assure you that special interest groups in America are not about to let that happen. What we are about to do here in the name of good government is to end what little prison labor we have left.

It is true that it is inefficient to work prisoners. It is also true that we pay them virtually nothing. But with the money they get by working, they are able to pay restitution to victims, we are able to recoup some of our costs, and the bottom line is, whether we like it or we don't like it, we have 1,100,000 people in prison who basically have nothing to do because we have made it illegal for them to work. What this amendment is going to do is destroy the last Federal system where we are able to work prisoners in America. We hear all these horror stories, but the plain truth is the law requires that prisons do this competitively. We have a system where you can ask for waivers if you don't want to buy from prisons, and 92 percent of those waivers are granted.

What we are seeing here is not any protest from the Defense Department. We are seeing those who want to end this system so that they can expand their businesses. Those are good and noble objectives, but we want to work prisoners and we want to have restitution to people who are victims of crime. So I urge my colleagues to vote down this amendment.

The PRESIDING OFFICER. All time has expired on this amendment.

Under the previous unanimous consent agreement, the amendment will be temporarily set aside. The Senator from California, Senator BOXER, will be recognized to offer an amendment regarding the effect of executive compensation. The time is 1 hour 20 minutes equally divided in the usual form.

Mr. LEVIN. I wonder if the Senator from California will yield for a unanimous-consent request?

Mrs. BOXER. Yes.

PRIVILEGE OF THE FLOOR

Mr. LEVIN. Mr. President, I ask unanimous consent that Michael Franken, a legislative fellow in Senator KENNEDY's office, be granted the privilege of the floor during the remainder of the consideration of the defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mrs. BOXER. Mr. President, I suggest the absence of a quorum.

Mr. KEMPTHORNE. Mr. President, if the Senator will withhold, I then ask unanimous consent that I be allowed to speak for up to 4 minutes.

Mrs. BOXER. I have no objection.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

AMENDMENT NO. 644

Mr. KEMPTHORNE. Mr. President, I would just like to draw attention to something I think is very significant that happened last night among this body. That is, by a voice vote this Senate of the United States has continued to correct something in history that should have been corrected long ago.

As you know, in January of this year, seven Americans were recognized for their heroic efforts in World War II, but it had been 50 years before the Government acknowledged those heroic deeds and 50 years for those individuals to have to wait until they were given the Congressional Medal of Honor.

Senator CRAIG and I attended the White House ceremony in January of this year, where the names of those seven were announced. I say the names because they were not all there. In fact, the only living individual that was there was Vernon Baker, of St. Maries, ID, who was a lieutenant at the time in World War II.

The effort that we undertook yesterday, which was significant and which is cosponsored by Senators CRAIG, TORRICELLI, THOMAS, and ENZI, provides Lt. Vernon Baker and the surviving spouse and/or children of S. Sgt. Edward A. Carter, Jr. and Maj. Charles L. Thomas with the financial benefits normally given to recipients of the Congressional Medal of Honor. The other Medal of Honor recipients, S. Sgt. Ruben Rivers, 1st Lt. John R. Fox, Pfc. Willy F. James, Jr., and Pvt. George Watson were all killed in action performing acts of heroism and had no surviving family members.

All seven of these Americans, these seven who for 50 years the Government did not acknowledge their heroic acts by bestowing upon them the Congressional Medal of Honor, were African-Americans. No African-American had received the Congressional Medal of Honor in World War II. That has now been rectified; rightfully so.

At the ceremony, as they called the names of those individuals that had been killed in action, I remember what effect it had upon me that there was no living relative there to receive the award in their behalf. Then I realized, for those who were killed in action, many were so young, teenagers—each performing that act where he sacrificed his life—they didn't have time to be married and they certainly didn't have time, therefore, to have a family, raise a family. They sacrificed not only their own lives for their Nation, but they sacrificed the potential of a family for this Nation.

Mr. Vernon Baker is just a tremendous individual. To meet him is an honor. He is one of the most genuine people you will ever meet. His actions on the mountains of Italy taking strategic positions, repeatedly risking his life to save the lives of others, is really the essence of what this is all about. So, the amendment that we passed last night again simply states that those individuals will receive the stipend that goes to Congressional Medal of Honor winners after they retire from the military service. The history of World War II was not complete, and it was not correct, until these heroes were rightfully honored and the next step taken of providing them what they have earned through their bravery and the blood that they gave to this Nation.

That has now been corrected. History can now be complete and correct in this regard as to World War II.

Mr. President, I thank the Chair and I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, before the Senator from Idaho leaves, I want to thank him for the leadership which he showed in bringing this amendment to the floor. It was the right thing to do. It was a sensitive thing to do, and as chairman of our Personnel Subcommittee where he does such tremendous work on the Armed Services Committee, he has shown these qualities in many, many ways before and will as long as he is in the Senate.

I think we are all in his debt for bringing to our attention the fact that these particular heroes had not been recognized in this way until last night, and it was because of Senator KEMPTHORNE's efforts that that recognition so long deserved was finally given. I know I am speaking for all the Members in this body in thanking him for that leadership.

Mr. KEMPTHORNE. I thank the Senator from Michigan for those kind remarks.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, thank you. I was very pleased to yield to my friend from Idaho, and I appreciate his remarks.

AMENDMENT NO. 636

(Purpose: To amend title 10, United States Code, to make reimbursement of contractors for costs of excessive amounts of compensation for contractor personnel unallowable under Department of Defense contracts and other contracts)

Mrs. BOXER. Mr. President, I call up amendment No. 636.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. GRASSLEY, and Mr. HARKIN, proposes an amendment numbered 636.

Mrs. BOXER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 804, and insert in lieu thereof the following:

SEC. 804. REIMBURSEMENT FOR EXCESSIVE COMPENSATION OF DEFENSE CONTRACTOR PERSONNEL PROHIBITED.

(a) EXCESSIVE COMPENSATION AS NOT ALLOWABLE AS CONTRACT COSTS.—Subsection (e)(1) of section 2324 of title 10, United States Code, is amended by adding at the end the following:

''(P) Costs of compensation paid with respect to the services of any one individual, to the extent that the total amount of the compensation paid in a fiscal year exceeds the rate of pay provided by law for the President.''.

(b) DEFINITIONS.—Subsection (l) of such section is amended by adding at the end the following:

''(4) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

(b) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER NON-DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 306 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256) is amended by adding at the end the following:

''(P) Costs of compensation paid with respect to the services of any one individual, to the extent that the total amount of the compensation paid in a fiscal year exceeds the rate of pay provided by law for the President.''.

(2) Such section is further amended by adding at the end the following:

''(m) OTHER DEFINITIONS.—In this section:

''(1) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

(c) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act and shall apply with respect to payments that become due from the United States after that date under covered contracts entered into before, on, or after that date.

(2) In paragraph (1), the term ''covered contract'' has the meaning given such term in section 2324(l) of title 10, United States Code, and section 306(l) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(l)).

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I am offering an amendment today, and I am very proud it is coauthored by the two Senators from Iowa, Senator GRASSLEY and Senator HARKIN. This amendment, I think, is a good-government amendment. It is, in many ways, a reform amendment, and it not only applies to the Defense Department but it would apply Governmentwide.

What we do is permanently cap taxpayer-funded compensation, in other words, taxpayers' funds that go to pay the salaries of contractors, at the same amount as the salary of the President of the United States.

I want to repeat that. Right now, because of loopholes in past amendments we have brought before the Senate, executives and companies who contract with this Government have no limit on

what they can get from the Government. So taxpayers are funding salaries of $500,000 a year, $800,000 a year, $1 million a year. As a matter of fact, we have one report of one company which spread around $33 million in compensation to its executives.

This amendment will ensure that taxpayers are no longer forced to foot the bill for exorbitant salaries of contractor executives.

It is important to understand what the bill does not do. Our amendment does not limit the salaries of contractor executives. It only limits the taxpayer portion of their salaries. So if there is a contractor executive, whether it is defense or anywhere else in the Federal Government, who is contracting with the Federal Government, we are saying in 1 year, the maximum pay they can get from Federal taxpayers is equal to that pay of the President of the United States, or $200,000. But if they have business from the private sector and they want to pay their executive any level, that is fine with us. We are just saying no more than $200,000 a year for a contractor executive.

Our amendment has been endorsed by Taxpayers for Common Sense, and today I placed a letter on the desks of Senators. I want to read from it.

The letter goes to all Senators, and it says:

Support the Boxer-Grassley-Harkin amendment. Taxpayers for Common Sense supports the Boxer-Grassley-Harkin amendment to the DOD authorization bill to limit taxpayer reimbursement for defense contractors executive compensation. Passage of this amendment would provide a consistent and uniform standard to defense contractors on executive compensation. Since Fiscal Year '95, the issue of executive pay has seen much legislative action. In '95, Congress limited the reimbursable compensation on some contracts. The DOD Appropriations Act of Fiscal Year '96 limited some compensation but only for the final third of the fiscal year.

And so what they say to us in this letter is that the GAO report revealed that one contractor paid its top executives more than $33 million in compensation over the $250,000 limit because there were loopholes within the legislation.

Taxpayers for Common Sense urges all Members of the Senate to support the Boxer-Grassley-Harkin amendment to limit this compensation. It is a step toward fiscal responsibility.

Mr. President, we certainly know that one of our proudest accomplishments as a Congress is bringing down this Federal deficit, and we do it in many ways. One of the ways we have done it, frankly, is that we have been pretty tough on Federal pay. We have wonderful men and women working for the Federal Government, and many of them, doing the work of private sector executives and private sector workers, get much less. They love their jobs, they work hard, and they have had to make some sacrifices. But somehow, it seems to me, we ought to ask those who contract with the Federal Government to make a little sacrifice. Frankly, I don't think it is bad to get the same pay as the President of the United States. I think that is pretty good pay, and that is what the Boxer-Grassley-Harkin amendment does.

So Congress has, in fact, scrutinized this issue before. We have been outraged about it before, but we haven't resolved this problem. We keep passing limited caps, and they are not working. We took them as first good steps, but they were sporadic. We suspected their effectiveness would be very limited, and the GAO report confirmed our worst fears.

We already talked about one major contractor who paid its top executives more than $33 million over the then $250,000 limit. The GAO concluded that that particular billing was allowable because the 1995 cap had so many loopholes. In fact, less than 1 percent of all contracts were covered by the 1995 caps. It seems to me, as we look back on what we did, it sounded good, but it didn't work, and we tried to control executive pay for these contractors, but we didn't succeed. We believe that the Boxer-Grassley-Harkin amendment will close that loophole very, very clearly, and that is why we received support from Taxpayers for Common Sense. We need a clear and consistent uniform standard on executive compensation, and that is exactly what our amendment would do.

I commend the Senate Armed Services Committee for its good-faith effort to address this issue in the DOD authorization bill. The committee acknowledged that the current system doesn't work, and it wisely rejected an administration compensation proposal that would continue to permit millions of dollars for executive pay. However, I suggest that the committee's approach, while moving in the right direction, doesn't go far enough.

The committee proposal would limit reimbursable compensation to the medium level of pay for all senior executives at large public companies. I don't think we should tie the pay of executives who get paid by taxpayers to the pay of executives who get paid in the private sector. Where is the common sense on that? I think we are going to hear arguments such as, ''Well, these Federal contractors are not Federal employees; after all, they could go to a private sector company.'' Fine, so could Federal employees. That is no argument. This is about taxpayer money, Mr. President. This is about fiscal discipline. This is about trying to balance the budget and not doing it on the backs of just one group of people. This isn't right. The sacrifices have to be shared.

So the committee proposal sets what they call reasonable executive compensation through a formula based on the salaries of other wealthy private sector executives. I just think that is a faulty approach, and it is business as usual.

It makes more sense to use public sector salaries, Federal Government salaries to set the compensation from taxpayers. After all, for their work on Government projects, contractors become, in effect, Government employees, and I can't imagine how we could rationalize paying them more than the President of the United States.

A second problem with the committee proposal is that it is limited to the five highest ranking executives of each contractor. First, it has a level of pay that is way more—way more—than the President of the United States and, second, it places no limits on the other senior executives, just five in each contractor. So there are ways to get around it.

Under the committee bill, a high ranking executive could continue to bill multimillion-dollar salaries and bonuses to the taxpayer if he or she was not named as one of the five most senior at the company. You can see that game being played.

Our amendment is simple, it is clear. It says in one fiscal year, taxpayers can't pay a salary higher to the contractor than it pays to the President of the United States. I think that is a pretty good linkage for these contractors to be hooked to the salary of the President of the United States.

Again, we don't limit the total an executive can make, only the total they can make from taxpayers. If there are two sides to their business and they are working for taxpayers and they have other projects, they can get paid whatever the company decides to pay them, but not the portion from the taxpayers.

I am very proud to be working with my friend, Senator GRASSLEY. When I was in the House and he came over to the Senate, he and I teamed up on many occasions on procurement reform. We worked together on spare parts that were costing a fortune, those days of the $7,000 coffee pots and the $400 hammers and the $600 toilet seats. We worked very hard on those issues. We worked very hard to stamp out taxpayer fraud.

So it is just with great joy that I work with him, again, on this. I think it is a good, solid amendment. We are proud of the support we are getting. I yield as much time as he might consume to my friend, the Senator from Iowa [Senator GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I thank you very much. I ask if the Presiding Officer would remind me when I have used 20 minutes so I don't use too much time.

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent that a member of my staff, Mr. Charles H. Murphy, be granted privilege of the floor during consideration of this defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I am proud to cosponsor this amendment with my friend from California, Senator BOXER. Over the years, as she has

already indicated, we have worked together as a watchdog of the Pentagon, and being a watchdog of that agency is not an easy job. Whether Republicans or Democrats are running this place, it is always tough when we tangle with the Pentagon. It is not a very popular thing to do.

Senator BOXER has always been a reliable person to fight to get the most bang for the taxpayers' dollars in defense. And I compliment her on that.

In today's political environment, reliable defense reform allies are hard to come by. They are somewhat of an endangered species today compared to 10 years ago. Organizations like the Center for Strategic and Budget Assessments used to support our cause. Not anymore. That organization is now bankrolled by the industry and by the Defense Department itself. So we are kind of teaming up with less outside support than we have had in the past. But we still have the same challenges to meet, and we are going to meet those.

So I am happy to once again team up with Senator BOXER, this time on a specific provision, very targeted, very easy to understand, but one that is very important that we accomplish. That is the executive compensation issue. We worked together on this in years past. And I am glad to do it. We have also my colleague from Iowa, Senator HARKIN, as a cosponsor. I am glad to have him on board as well. So this is very much a team effort.

Mr. President, there are four separate executive compensation caps in law today.

I have a table that provides details on each of these caps.

I ask unanimous consent that that be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RELEVANT DOD COMPENSATION CAPS PROVIDED IN LAW

Fiscal year	Act	Cap	type contract	Compensation	FAR/DFARS reference
1995	Approp.	$250,000	DOD	Undefined (applied to total)	DFARS 231.205–6 (a)(2)(i)(A).
1996	Approp.	$250,000	DOD	Undefined (applied to total)	DFARS 231.205–6 (a)(2)(i)(B).
1997	Approp.	$250,000	DOD	Undefined (applied to wages + elective deferrals)	DFARS 231.205–6 (a)(2)(ii).
1997	Auth.	$250,000	DOD and civilian	Wages + elective deferrals	DFARS 231.205–6 (p)[1] FAC 90–45.

[1] FY97 FAR interim rule applies to top 5 senior officers.

Mr. GRASSLEY. The Armed Services Committee is trying very hard in this legislation to blow the lid right off the caps with section 804 of the bill. The committee wants to reach deeper into the taxpayers' pockets by doing this. I do not understand why, and I want to know why. What is the basis for the decision? I know during this debate we are going to find that out. I know sincere people on the other side of the aisle are going to tell us the justification for it, but I want to tell my colleagues why I think the legislation is wrong.

Because before we give executives a pay raise, we should know how much public money they get in the first place. That is where this debate should begin. That is taking us right back to square one. We cannot figure out where we need to go until we know where we are. And we do not know where we are on this subject of executive pay.

The committee made the decision to lift the caps and, I think, without the facts. The committee needs to answer a key question. How much is the Department of Defense paying industry executives today? The committee does not have the answer to that question.

Back in January, Senator BOXER and I tried to get that answer. We asked the General Accounting Office to answer three questions. How much is the Pentagon paying the top 50 industry executives today? How well are the caps working?

I ask unanimous consent that our letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 28, 1997.

MR. JAMES F. HINCHMAN,
Acting Comptroller General, U.S. General Accounting Office, Washington, DC.

DEAR MR. HINCHMAN: We are writing to request specific information on executive compensation provided under Department of Defense (DOD) contracts.

On April 28, 1995, we asked the Inspector General, Ms. Eleanor Hill, for specific information on payments to Lockheed-Martin executives following the merger of these two industry giants. We wanted to know exactly how much each executive would get under the merger deal. Finally, on June 14, 1996, after repeated requests and the passage of over a year's time, we received a partial but unsatisfactory response to our question. It does not provide the specifics we requested. A copy of her response is attached for your information.

We have two concerns about Ms. Hill's response.

First, she reports that Lockheed Martin Corporation maintains that individual compensation data is ''confidential proprietary and management sensitive,'' and she agrees. We agree that a company's internal pay structure should be treated as sensitive, propriety information—if that is company policy. However, when money is drawn from the U.S. Treasury to pay certain industry executives, those payments should not be drawn under that protective cover. A private company should never be allowed to take public money specifically earmarked for executive pay and stamp it ''proprietary.'' If these individuals are on the public payroll, then the citizens of this country have a right to know how much of their tax money each one is receiving.

Second, we were also told that the $16.3 million paid to the Martin Marietta executives was not salary. These are retirement benefits. We were told that their salaries were paid out of another ''DOD pool of money.'' How many pools of money does DOD have for the corporate executives? We need to know. We need a complete and accurate accounting that tells us exactly how the department goes about paying these executives all this money.

Toward that end, we ask that you tell us exactly how much the department paid to the top 50 defense industry executives during calendar year 1996.

For each executive, we ask for the full name, title and employer, and the total compensation received from DOD, including salary, bonuses, and other incentives and benefits, from all sources. If commercial or foreign military sales dollars are involved, those should also be reflected in the requested totals.

An interim response is requested by March 1, 1997.

Your cooperation in this matter would be appreciated.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.
BARBARA BOXER,
U.S. Senator.

Mr. GRASSLEY. We need the answers to these questions, and the answers are not easy to get. We got some answers in June, but not the answers that we expected, Mr. President. The General Accounting Office reports the caps are having ''no significant effect on limiting executive compensation.''

The General Accounting Office did take a close look at one company, McDonnell Douglas. The top executives at McDonnell Douglas got $33 million over and above the $250,000 cap that is in law. That is, of course, all from the U.S. Treasury and all for 1 year. Only $313,000 of the McDonnell Douglas executive pay—that is less than 1 percent—was blocked or affected by the cap.

I ask unanimous consent that that General Accounting Office report be printed in the RECORD so my colleagues can read it for themselves and not just take my word for it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE
Washington, DC, July 8, 1997.

Hon. BARBARA BOXER,
Hon. CHARLES E. GRASSLEY,
Hon. TOM HARKIN,
U.S. Senate.

Subject: Impact of legislative compensation caps on DOD contracts.

In response to your request, we have developed information on the extent to which legislative caps have affected executive compensation allowable under Department of Defense (DOD) contracts. Specifically, we obtained compensation costs from the Defense Contract Audit Agency (DCAA) for McDonnell Douglas Corporation for 1995, the latest year of a completed DCAA incurred cost audit. We also obtained from DCAA nine other contractors' estimates of the impact of legislative compensation caps on their companies. On June 3, 1997, we briefed your staff on the results of our work. This report summarizes the information provided at that briefing.

BACKGROUND

The Congress has placed various limitations on the amount of compensation costs that may be allowed on defense contracts.

The fiscal year 1995 DOD Appropriations Act (P.L. 103–335) provided that ''After April 15, 1995, none of the funds provided in this act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.''

The fiscal year 1996 DOD Appropriations Act (P.L. 104–61) provided that, ''None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $200,000 per year after July 1, 1996 . . . ''

The fiscal year 1997 DOD Appropriations Act (P.L. 104–208) provided that, ''None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.''[1]

RESULTS IN BRIEF

The information we collected on McDonnell Douglas Corporation and nine other contractors indicated that the compensation cap imposed on DOD contractors for fiscal year 1995, had no significant effect on limiting executive compensation charged to defense contracts for 1995. For McDonnell Douglas Corporation, which had about $33.7 million in executive compensation in excess of $250,000, only about $313,000, or less than 1 percent, is estimated to be limited by the fiscal year 1995 compensation cap. Estimates by the nine other defense contractors of excess compensation costs subject to the fiscal year 1995 compensation cap range from 0.14 to 3 percent. The limited impact of the legislative compensation cap was primarily due to the short period the cap was in effect during 1995 (5½ months) and the small amount of costs associated with new contracts entered into during this period using fiscal year 1995 appropriations.

For some of the same reasons, the amount of executive compensation charged to defense contracts in fiscal year 1996 will not be significantly affected, although the amount determined to be unallowable will increase because both the fiscal year 1995 and 1996 limitations were in effect. McDonnell Douglas Corporation estimates that only about 3 percent of 1996 executive compensation in excess of the cap will be subject to the fiscal year 1995 and 1996 compensation caps. Aggregated data on the effect of the 1997 cap was not available at the time of our review. Enclosure I contains more information on our findings.

AGENCY COMMENTS AND OUR EVALUATION

DOD provided written comments on a draft of this report. DOD took no exception to the information provided in the report regarding the allowable cost impact of the statutory compensation caps. However, it commented on the substantial administrative burden imposed on both DOD personnel and defense contractors by the inconsistencies between the four different compensation caps enacted by the Congress over the past 3 years.

The nature and extent of the administrative burden was not the focus of our review. However, DOD identifies a pertinent issue. Generally speaking, it seems reasonable that more consistent treatment of compensation caps could ease implementation problems. DOD's comments are provided in enclosure II.

We are providing copies of this correspondence to the Secretary of Defense, the Director of the Office of Management and Budget, and other appropriate congressional committees and members. We will also make copies available to others on request.

Please contact me at (202) 512–4587 if you or your staff have any questions concerning this briefing report. Major contributors to this report are Charles W. Thompson and Robert D. Spence.

DAVID E. COOPER,
Associate Director,
Defense Acquisitions Issues.

PERCENT OF MDC EXCESS COMPENSATION COVERED BY CAP IN FISCAL YEAR 1995

	Total compensation in excess of $250,000	DCAA and contractor estimates of amounts in excess of $250,000 subject to FY 1995 compensation cap	Percent subject to cap
Headquarters office	$13,365,275	[1] $178,855	1.34
Headquarters and component offices	33,748,375	[2] 313,090	[3] 0.93

[1] Defense Contract Audit Agency (DCAA) recommended this amount based on the results of its audit.
[2] MDC components voluntarily removed this amount from overhead cost submittals (subject to DCAA audit).
[3] MDC estimates the percentage for 1996 to be less than 3 percent.

MDC 1995 compensation for top five executives

Executive[1]	*Amount*[2]
1	$4,012,833
2	3,920,559
3	2,383,974
4	2,303,713
5	2,238,966
Total	14,860,045

[1] Because these amounts differ from Securities and Exchange Commission filings, MDC requested that the names of the executives not be disclosed.
[2] These amounts represent compensation as defined by the FAR and differ from compensation reported in Securities and Exchange Commission filings.

Other contractor estimates of excess compensation covered by cap in 1995

Contractor	*Percent of excess compensation subject to cap*
A	0.33
B	1.50
C	3.00
D	0.14
E	2.00
F	0.67
G	1.67
H	1.20
I	2.00

MDC ALLOCATION OF COMPENSATION TO COMPONENTS—TOP FIVE EXECUTIVES

Executive	Total compensation for application of compensation cap	Total compensation >$250,000	Amounts allocated to components with DOD contracts
1	$4,012,833	$3,762,833	$2,713,308
2	3,920,559	3,670,559	2,646,773
3	2,383,974	2,133,974	2,046,481
4	2,303,713	2,053,713	1,833,604
5	2,238,966	1,988,966	33,216
Total	14,860,045	13,610,045	9,273,382

Mr. GRASSLEY. One of the General Accounting Office tables shows how much the Department of Defense paid the top executives at McDonnell Douglas. The Department of Defense paid them a total of $9,273,382. The top executive got $2,713,308. And I have the chart here so that you can see that the cap is $250,000. We have the executive that I just referred to as executive No. 1, because obviously we are not here to embarrass anybody. It is proprietary information. The name does not matter, but the point is, executive No. 1 got paid $2.7 million; executive No. 2 got paid $2,646,773; the third executive got paid $2,046,481; and the fourth executive got paid $1,833,604—all when there is a cap of $250,000.

So that cap was designed to limit the size of the Department of Defense paycheck that was sent to McDonnell Douglas for executive pay, and yet we find the cap did not work.

Now, every citizen would like to get a paycheck like this from Uncle Sam. This chart shows so obviously I do not even need to say it that the existing caps are not working very well.

In fact, you would have to say they are leaking like a sieve. They are riddled with loopholes the size you can drive a Mack truck through. Maybe they were not meant to be that way. Maybe this was just a big game that somebody is playing with the taxpayers. But we should not be playing these games. And if these caps are not going to work, they should not be in the law. That is what the committee would rather have. I say they ought to be in the law, and I say they ought to work. If the caps are being busted with regularity, we are here to fix them, and that is what the Boxer-Grassley-Harkin amendment is all about.

Is the problem unique with McDonnell Douglas or are the caps leaking everywhere? We do not know. The Department of Defense does not know. The committee does not know. And, of course, to the taxpayers of this country, that is just not acceptable. It happens to be the same old story. The Department of Defense is paying bills for services rendered, but it does not know what the services cost.

How could the Department of Defense watchdog the caps if it does not know what each executive gets? There are a lot of questions, and there are no answers.

Mr. President, the Department of Defense has a responsibility to the taxpayers to answer four questions that I am going to bring out. First, how much does it pay out each year for executive compensation? Secondly, how many executives receive those payments? What are their names? And how much does each one get?

I asked the Department of Defense these questions on June 20, 1997. The Department of Defense response came back 4 days later, June 21 of this year. And guess what the answer is? The Department of Defense does not collect that kind of information. The Department of Defense does not have it.

I ask unanimous consent to have printed in the RECORD those letters.

[1] A statutory compensation limitation was also imposed by the Fiscal Year 1997 National Defense Authorization Act (P.L. 104–201) on both DOD and civilian government agencies, but this limitation affected fewer executives than that imposed by the Fiscal Year 1997 DOD Appropriations Act.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 20, 1997.

Mr. LAWRENCE P. UHLFELDER,
Assistant Director for Policy and Plans, Defense Contract Audit Agency, Fort Belvoir, VA.

DEAR MR. UHLFELDER: I am writing to follow up on a question my staff raised with you this morning regarding executive compensation.

In order to prepare for the upcoming debate on the defense authorization bill, I would like to know how much the Department of Defense pays out each year to defense industry to cover the costs of executive compensation. What is the total estimated annual cost of those payments? How many executives would be covered by such payments? How many companies would receive those payments? Is this information readily available, or is it very difficult to obtain? If so, why? A ballpark estimate will be acceptable—if that's the best you can do on short notice.

A response to these questions is requested by June 24, 1997.

Your cooperation in this matter would be appreciated.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.

DEFENSE CONTRACT AUDIT AGENCY,
Fort Belvoir, VA, June 24, 1997.

Hon. CHARLES E. GRASSLEY,
U.S. Senate,
Washington, DC

DEAR SENATOR GRASSLEY: In your June 20, 1997 letter to me you asked the following questions:

How much does the Department of Defense (DoD) pay out each year to the defense industry to cover the costs of executive compensation?

What is the total estimated annual cost of those payments?

How many executives are covered by such payments?

How many companies receive those payments?

Defense Contract Audit Agency (DCAA) does not accumulate statistics on the overall compensation paid to DoD contractor executives or on any other individual element of overhead because such statistics are unnecessary to determine cost allowability under the Federal Acquisition Regulation (FAR). The FAR specifies that certain types of compensation costs are expressly unallowable; e.g., stock options, stock appreciation rights, and golden parachutes. These unallowable types of compensation are never paid by DoD and are not considered in judging reasonableness of compensation levels. The FAR criteria for evaluating reasonableness of executive compensation follows:

''Among others, factors which may be relevant include general conformity with the compensation practices of other firms of the same size, the compensation practices of other firms in the same industry, the compensation practices of firms in the same geographic area, *the compensation practices of firms engaged in predominantly non-Government work,* and the cost of comparable services obtainable from outside sources. The appropriate factors for evaluating the reasonableness of compensation depend on the degree to which those factors are representative of the labor market for the job being evaluated. *The relative significance of factors will vary according to circumstances.''* (Emphasis added.)

Since the determination of the reasonableness of compensation costs requires a case-by-case assessment of many factors, it would serve no useful purpose to routinely gather DoD-wide data. Accumulating DoD-wide statistics would be time-consuming and expensive because the precise dollar reimbursement for each contractor is dependent upon many company specific factors including:

The percentage of government business at each contractor segment.

The mix of contract types (fixed price, cost-type, flexibly priced) at each segment.

The status of contracts (e.g., salaries allocated to contracts which have costs exceeding a ceiling price would not be reimbursed).

The varying number of personnel that might be considered ''executives'' by each contractor.

The value of contracts subject to the compensation caps included in recent DoD Appropriation and Authorization Acts.

Another key reason for not routinely gathering DoD-wide compensation data is the FAR specifically requires comparison of compensation levels of firms engaged in predominately non-government work. DCAA uses commercial compensation surveys that include companies engaged in non-government work. Attached are letters to Dr. Steven Kelman, Administrator, Office of Federal Procurement Policy and Mr. Peter Levine, Counsel, Senate Armed Services Committee, that show various average and median executive compensation levels based on a commercial survey.

In sum, the routine gathering of DoD-wide compensation statistics would be costly and not add value to the audit process. Because we do not gather this data, we are unable to answer your questions on such short notice. If you or your staff have any additional questions, please call me at (703) 767–3280.

Sincerely,

LAWRENCE P. UHLFELDER,
Assistant Director,
Policy and Plans.

Mr. GRASSLEY. Mr. President, maybe the Department of Defense does not want to know the answer. The size of those paychecks might be embarrassing to the Department. Then again, maybe the Department of Defense does know. I suspect that they do know. I think there is a secret list hidden in someone's safe over at the Pentagon somewhere with this information.

I have an audit report that tells me that the Department of Defense may know. This is a Defense Contracting Audit Agency report entitled ''Audit of Corporate Offices, Overhead Expenses 1995.'' Here it is. It is dated March 31 of this year.

Now, Mr. President, I would like to place this report in the RECORD, but I have been warned that it may contain proprietary company information so I am not going to do that. It tells me exactly who is on the Department of Defense payroll at McDonnell Douglas and how much each person gets.

There must be reports like this on other companies as well. Taken together, all these reports would give us the information that we need. These executives are on the public payroll. They take public money. The public should know who they are and how much they get. A company has no right to take public money earmarked for executive pay and stamp it ''proprietary and confidential.''

Strictly, that is Pentagon baloney. That is something that if somebody here on the Senate floor tries to justify, then it becomes Senate baloney as far as I am concerned. The Congress has the responsibility to obtain that information.

There are two ways to get it. We could put a provision in the bill. It would call for a one-time report.

I have an amendment, No. 603, that would get that information we need, or the committee, hopefully, is interested in this information, letting the Sun shine in. Where the Sun shines in on Government business, there is never going to be any mold, Mr. President. As an oversight responsibility for the taxpayers, I hope that the committee would be interested in requesting that information, not by my amendment, but simply a letter sent to the Department of Defense to get that information. I would hope that the committee would be willing to send such a letter. Then the committee would hopefully be willing to share this information to the taxpayers of this country.

I do not think that we should lift that cap without this information. The bill lifts that cap. If the caps are not working, then we should plug the leaks. And, of course, the Grassley-Boxer-Harkin legislation plugs those leaks so that you do not have a situation like this, a cap at $250,000 meant to restrict pay, but you have one executive with $2.7 million, a second executive with $2.6 million, a third executive with $2.0 million, and a fourth executive with $1.8 million.

So I think we have made a case, first of all, that what we have done has not worked. What we are going to do now should work. And the Boxer-Grassley amendment does that.

I yield the floor and reserve the balance of the time for our side.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I am controlling the time for the majority on this.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President.

I yield myself such time as I may consume.

Let me just say first in response to the Senator from Iowa's comments about the compensation levels of certain executives, No. 1, the Grassley previous amendment only applied to cost-type contracts; it did not apply to fixed-price contracts. When you negotiate a contract and say, here is the price we are going to pay you, it is a fixed price, and you produce the product for this price, we do not really care who you pay or how much you pay, just as long as you give us the product at this price. So they can pay their executives anything out of that as long as they deliver the product as per the price.

Also these companies that have been listed by the Senator from Iowa, many have very large and substantial commercial entities who are not limited at

all to what they pay their executives on that. So to suggest that there is some error here, some problem here, I just do not think is accurate. I think it is accurate to suggest that this approach does not work and is wrong, and I will go through as to why I believe it is. But to suggest that there is something funny going on here, I think is simply not accurate.

Let me first start by saying what the Subcommittee on Acquisition and Technology did when it was presented with this issue. Last year, in the authorization bill, we requested the administration to come up with a suggestion on how to deal with this issue because the Congress every year seems to deal with this issue of setting levels of caps on compensation for, quote, ''executives.''

The administration came back with a suggestion. The suggestion had four parts. No. 1 was to limit the reimbursement of senior executive salaries to the median salary of executives in companies of similar size. Now, what does that mean? They take the large corporations and they figure out—they take the median salary of the large corporations, then the medium size and the small, and they have different compensation levels. The problem with that is that the committee saw that for some corporations, the large ones, the average median compensation was $4 million. To set a cost cap at $4 million does not appear to be much of a cost cap, even to this Member who does not particularly agree with the Senator from Iowa on compensation levels.

So we decided to go back and relook at that. They did do some things that we adopted. No. 1, they defined executive compensation, which had not been done before, and we have adopted that definition in the committee's mark. I believe the Grassley-Boxer or Boxer-Grassley amendment adopted that definition of compensation. So on that we agree.

We also disagree on the people that it should apply to. The administration has suggested just the top five most highly paid executives of the contractors should be limited here. The Boxer-Grassley amendment covers everybody. I will explain later why I think that is a problem.

Senator LIEBERMAN and I, the ranking member on the subcommittee, worked on what we thought was a compromise, something that was workable and took care of the concerns that I will enumerate in a few minutes. The compromise was to take the median salary of all companies who have sales over $50 million. So if you have sales over $50 million and you take the median salary from those executives, we came with a figure of $340,000. So $340,000 would be the cap under ours. Now the administration opposes this cap. The administration believes this is too low. Now, what Senator BOXER and Senator GRASSLEY are suggesting is even going below what the administration believes is too low. But we believe this is a reasonable level to go.

Now, why? Let me just explain what I believe is sort of the reality of what this amendment is. This is a huge antismall business amendment. Why? As you saw from Senator GRASSLEY's chart, the big corporations do not have any problem paying their executives, particularly ones that are diversified, because they have price-type contracts, they have commercial business, so they can pay their executives from a variety of sources. The folks that really get nailed by this are the small businesses who do primarily defense work. They are the ones whose compensation is effectively capped at the level we set here.

You say, what is the big deal? The big deal is these small businesses are in a very competitive industry and, yes, they are competing for high-priced talent, not just in managerial, and we limit it to managerial, the top five executives—but they compete even more fervently. Remember, what are we moving to in the Defense Department? We want high technology. We are drawing down our defense. We hope to be investing more and more into high technology. We want our vendors to be more efficient, more high technology.

I will read from the Information Technology Association, what they suggest this amendment will do to, I believe, small contractors in particular, and I will quote from a July 2 letter from the Information Technology Association of America to the Chairman, STROM THURMOND.

> It will limit the government's ability to contract for personnel with specialty technology skills. A recently completed Information Technology Association of America study found that there are approximately 190,000 unfilled technology positions nationwide, with almost 20,000 unfilled positions just in the Washington metropolitan area. The shortage is even more acute for people with cutting edge skills who command far more than $200,000 in wage and benefits in the marketplace.

What I am suggesting here that this amendment will do is it will not hurt McDonnell Douglas, it will not hurt Boeing, it will hurt the local organization in your community, the small business who is competing for defense contracting work, trying to get the best technology available, the highly skilled people who are in very competitive prices, and they will not be able to employ them. They will not be able to keep them. I am surprised some of the big businesses do not love this, that they are not supporting the Grassley-Boxer amendment. This is a boon to big business because it lets them cherry pick all these skilled people to employ them at their business because the small contractors simply cannot do it under this amendment.

Now we improve things a little bit. We allow them to go up to $340,000. You hear $200,000 is the salary of the President. Well, $200,000 is about one-quarter what a shortstop hitting .190 for the Baltimore Orioles makes. If we are going to compare worth here, who is more important to the future of our country—someone who will redesign the air traffic control system in this country to make it safer and use the high technology and the skills they have, or someone hitting .190 for the Pirates? I think the answer is pretty clear. But on this floor, they are saying that guy hitting .190, we can pay him anything we want, but the guy who has high technology skills, the guy who has the skills that can add to the national security of this country, we cannot have. They will go off to Hollywood and make movies. That is where they go. They go to Hollywood and they make action pictures instead of redesigning systems to make our Nation more secure for the future.

This is an unwise piece of legislation. This really does strike at the core of what the future is for our country. I will be honest. I frankly do not care if the CEO's of some companies do not make a lot of money. What I do care about is that we have the scientific expertise employed in the defense industry to move our country forward, to stay ahead. This amendment will hurt national security. This amendment will limit our ability to get the best and the brightest into the defense industry and keep them there, particularly for the small entrepreneurial companies and the small companies that get involved in the defense industry. So this hurts national security. It devastates small business' ability to compete. Just for those two reasons alone we should be against this amendment.

I hope we do not get blinded by what appears to be populist. It looks populist to say we should only pay certain people who get paid from the Government a certain amount of money, except for the fact that when you do that, you lose good people and you hurt small business, both of which are vital to the national security of this country.

I reserve the balance of my time.

Mrs. BOXER. Mr. President, it was interesting to see the Senator from Pennsylvania get very emotional about the fact that we would—Senator GRASSLEY and I and Senator HARKIN—limit the taxpayer payments to individual executives who are Federal contractors to the pay of the President of the United States.

First of all, I am not sure he understands our amendment. We only limit the taxpayer portion of their pay. If they work in the private sector, that is up to the shareholders to determine, No. 1.

No. 2, the Senator from Pennsylvania says, ''My God, if we cannot get these executives into these defense firms, these high-paid executives, our national security is at stake. We better pay them more, much more than the President of the United States.'' Let me just say, what about the Chairman of the Joint Chiefs of Staff? He is a Federal employee. I do not hear people coming in here and recommending that

his pay be raised. What about the person who is the head of the FAA? What about the air traffic controllers?

We have people in the Federal Government who risk life and limb, but we are here today hearing the committee defend executives in fancy offices in big firms who contract with the Federal Government.

I ask the Senator from Iowa a question.

Mr. SANTORUM. Will the Senator yield?

Mrs. BOXER. I am happy to yield on the time of the Senator from Pennsylvania.

Mr. SANTORUM. I am happy to take it off my time.

Does your amendment limit the cap just to executives?

Mrs. BOXER. Executive pay.

Mr. SANTORUM. Your amendment limits it just to executives?

Mrs. BOXER. It is any contractor.

Mr. SANTORUM. It does not limit just to executives?

Mrs. BOXER. Let me just say, since it is a $200,000 cap, it is hard to imagine line workers making that much, but it affects anyone who is working for the Federal Government as a contractor.

Mr. SANTORUM. Again I ask the question, does it apply to people who are scientists, who, as the Information Technology Association of America said, people with highly technical skills? Do they apply to this cap?

Mrs. BOXER. Anyone who contracts with the Federal Government—let me finish—would be limited——

Mr. SANTORUM. The answer is yes.

Mrs. BOXER. Limited to receive in 1 year the amount that the President of the United States receives from taxpayers, but it could be unlimited if they have private sector work. We do not take on their entire pay. That is up to the shareholders of the company.

Mr. SANTORUM. Is the Senator aware there are many businesses that contract with defense and other Government agencies that do primarily, almost exclusively, Government work? Are you aware that there are many companies involved that do that?

Mrs. BOXER. I say to my colleague, I have visited companies all over California, many of whom do nearly 90 percent of their work with the Federal Government, but that is their option, just as it is the option of someone who works for the Federal Government to work for the private sector.

Mr. SANTORUM. You then accept the fact that by limiting the compensation to everybody, particularly those firms that do 90 or even more percentage of their work with the Federal Government, you in effect put a salary cap on everybody at that firm, even the scientists, who they have to go out and compete for?

Mrs. BOXER. We are capping the amount of Federal taxpayer payments to one individual, to that of the President of the United States, that is correct.

Mr. SANTORUM. The answer is yes.

I yield the floor.

Mrs. BOXER. Mr. President, on my time, I ask the Senator from Iowa a question.

As my friend noted in his opening statement, the GAO did a study and this study was astounding.

I ask unanimous consent to have this printed in the RECORD, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GAO/MDC 1995 COMPENSATION FOR TOP FIVE EXECUTIVES

Executive [1]	Amount [2]
1	$4,012,833
2	3,920,559
3	2,383,974
4	2,303,713
5	2,238,966
Total	14,860,045

[1] Because these amounts differ from Securities and Exchange Commission filings, MDC requested that the names of the executives not be disclosed.

[2] These amounts represent compensation as defined by the FAR and differ from compensation reported in Securities and Exchange Commission filings.

Mrs. BOXER. We thought we put a cap in place, I say to my friend, and yet we know in one company, executive No. 1—and we will not identify that individual—in one defense company, earned $4 million in 1 year, nearly all from taxpayers. Executive No. 2, $3.9 million, executive No. 3, $2.3 million, executive No. 4, $2.3 million, executive No. 5, $2.2 million, for a total among those five executives of $14.8 million.

I ask my friend from Iowa how he thinks the people in Iowa would react when they learn that 1 executive got over $4 million in one calendar year, in a year when, by the way, there were layoffs in that company; if he could answer that. And also talk to me, if he would, about the committee's proposal which they say would limit pay to $350,000—if the Senator agrees with that.

If he could give me the reaction and then his opinion on the committee's plan.

Mr. GRASSLEY. First of all, my constituents would expect that if there is a cap in the law of the most that we will pay out of the Federal Treasury to an executive of a major defense corporation, they would expect that salary limit to be adhered to. Not as this chart demonstrates—$250,000 cap, you end up with $2.7 million, $2.6 million, $2 million and $1.8 million, and you gave figures for another corporation that are higher than this. They would expect that cap to work.

It is obvious that it is not working. If it is obvious it is not working, the very committee that put the cap in place, they would expect that oversight committee to fulfill its constitutional responsibility and make sure that the law is abided by.

Also, your question gives me an opportunity to point out to our friend from Pennsylvania, when he raised the question of this amount of money, that we could expect executives to make this amount of money.

The point is this is just a portion of their salary that comes out of taxpayers' dollars. He raised that question, and I want to clarify that the $2.7 million, $2.6 million, $2 million, and $1.8 million is just that portion of that executive salary out of tax money, out of Defense Department money. As he indicated, they could get paid more, they get that out of other sources of income for the corporation. The point is this is just money from the taxpayers.

Lastly, my constituents raised the same questions as your constituents might raise that it is a more moral and ethical issue here of the extent to which we are having executives get big salaries and people that are working and producing for that corporation on the assembly line or someplace else, that there is a gigantic spread that has developed within corporate America between what the blue-collar worker might be getting paid or other lower paid professional people versus what the executive is getting. I think there is a legitimate question raised whether or not that is a justified gap. I think this emphasizes that there is that gap over a long period of time. Executives getting big pay raises and people lower down are just hardly keeping up with inflation.

Mrs. BOXER. I say to my friend, he makes a very important point. I am troubled by the committee suggesting that their new policy would cap pay at $350,000. I understand that my colleague has a chart which shows different analyses of that, because I greatly question it. Last year, we thought we were capping it at $250,000, and people got $4 million. I wonder if my friend can share with us that chart, which shows opinions other than the committee's opinion on where these caps will actually fall—not at $350,000, but more into the millions.

Mr. GRASSLEY. Well, this chart refers to the figure that has been given to us as the cap that might be effectively in place as a result of section 804, $340,000.

In a practical world of paying executives, we have three estimates, and these are very recent estimates from various publications just this spring. The Wall Street Journal, for instance, had an average salary of corporate executives of $1.5 million. The Forbes publication had an average salary in their survey of $1.9 million. Business Week had an average salary of $2.3 million. This would be total compensation.

Mr. President, I ask unanimous consent that the CRS memo be printed in the RECORD.

There being no objection, the memo was ordered to be printed in the RECORD, as follows:

[Transmittal from the Congressional Research Service, Library of Congress, June 20, 1997]

To: Hon. Charles Grassley.
Attn: Charles Murphy.
From: Pat Ayers, Business Team, Congressional Reference Division, Tel: 7–7492.
Re: Average Pay Statistics.

To summarize our telephone conversation of this morning, we are unaware of any federal statistics which compile data on corporate executive compensation by size of the business establishment. There are several private organizations which do survey the larger public corporations for executive compensation data, including surveys by Business Week, Forbes, and Fortune, which cover 800 to 1,000 of the largest firms in the U.S. There is also no one set definition of what constitutes a ''small business'', another impediment.

We have enclosed a brief CRS report which provides data contrasting executive compensation with average worker pay, which may give some insight. To update these figures, for 1996 the median annual earnings for CEOs was $1,471,250 (Wall St. Journal-April 19, 1997), $1.9 million (Forbes-May 19, 1997) and $2.3 million (Business Week-April 27, 1997.) Median annual earnings for full-time wage and salary workers in the private nonfarm sector for 1996 is $24,500 (BLS-Employment & Earnings: January 1997.)

We also searched our various news databases and did not find any ''estimates'' offered. The National Federation of Independent Business stated that they did not collect such data from their membership.

Mr. GRASSLEY. It would be unrelated to the issue we have before us of the defense industry, but it does tell me that the figure that the committee feels will somehow be a cap for this year—and we want to remember that it is suggested that this cap is going to go up from year to year—that it is not going to be a very effective way of controlling money leaving the Defense Department to the executives, as the committee has intended. I think they are going to find this just as ineffective as the cap that has been in the law, as I have demonstrated in a previous chart that I have.

Mrs. BOXER. Mr. President, I would like to say to my friend that I really appreciate his coming up with those charts because taxpayers thought a year ago that all this was taken care of. They honestly thought a $250,000 cap would work. Now we see executives making $2 million, $3 million, $4 million, as if we didn't have a budget crisis around this place. It is unreal.

Now we are told that the new committee policy will lead to a $350,000 cap by some fancy magic computation. I think what the Senator from Iowa has shown us is a warning here. We don't want to come back next year with more of these charts that say to our friends: You miscalculated it and executives are getting $2 million a year from taxpayers. This is wrong.

So I want to, again, thank my colleague very much for coauthoring this amendment. I retain the remainder of my time.

Mr. WARNER addressed the Chair.

Mr. SANTORUM. Mr. President, I yield such time as the Senator from Virginia may need.

Mr. WARNER. Mr. President, I will just use 2 minutes for the purpose of posing a question. I pose the question to the sponsors of this amendment.

First, having worked on the committee some 18 years, this is an issue that has been visited and revisited very carefully through the years. I am not here to criticize, but I assure you that the Armed Services Committee reviews this matter with great care each year. But the benefit to the American defense system is for a lot of small, independent private-sector companies to come to the marketplace and offer what is known as their best practices. I feel that this is going to be a disincentive. I am sure my distinguished colleague from Pennsylvania, the chairman of the subcommittee, is going to touch on this. I ask this question of you because I am going to ask it of him. Would this not be a disincentive and thereby deprive the Department of Defense, and the overall American defense system, of some of the best technology and best management practices being offered?

Mr. GRASSLEY. For myself, I will answer that question very shortly this way. First of all, we are only talking about the portion that is going to come from the taxpayers. Second, we in no way in our amendment limit executive salaries for corporations. In fact, it is none of our business to do that. That is a market decision. We want that to be a market decision, and nothing in our amendment keeps that from happening.

The point is, how much should be paid out of the Treasury and how much should be paid out of other income? That is a stockholders versus CEO business relationship that we will not infringe upon. Our amendment does not; we don't intend to. Both of us would say it would be wrong for us to do that.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I yield myself such time as I may need. I want to respond very briefly. The Senator from Iowa says it is a market decision on how much people should be compensated. They use the term ''executive compensation.'' This is not a limitation on that; it is a limitation on anyone's compensation. They do not designate certain executives, as we do in our underlying bill. We designate the top five executives. They limit it to every person in the company, including maybe that guy who sits in the cubical and doesn't come out very much and drinks a lot of coffee, who makes the place run because he has all the ideas. He may not be the executive, but he is the brains behind all the research going on in that company. They limit him, too. Let's understand that.

They said it is a market decision. Well, it is only a market decision as to what you pay your people if you have other markets, because if you are just in the defense market and have cost-type contracts, the decision is made by the Senator from Iowa, not by the company, because the Senator from Iowa will say, if your company does defense work and you have cost-type contracts, you can only get paid this amount, no matter whether everybody else—those brilliant technologists—get paid a lot more somewhere else, like in Hollywood, which is where they will go. It is not a market decision. It is in some cases, but not always, and those are the cases I am most worried about.

The Senator from California is suggesting that I was concerned about how much executives got paid. I said during my statement, and I will repeat it, that I don't care how much executives get paid. I care about keeping the best and brightest, particularly the people with the technology and the skills, those needed skills, to work in the sector that does work particularly for national security.

When we limit compensation—at least that is what is being suggested—to those individuals who are out there on the leading edge of technology and we drive them out of the Government procurement area—particularly in the area of national security—we have hurt the national security of this country. I know it wasn't deliberately intended to do that, but that is exactly what this does. I would, in fact, change the name. I think our underlying bill is an executive compensation amendment or provision. The Boxer-GRASSLEY amendment is a scientist compensation limitation amendment. Let's call it what it is because it doesn't just limit executives. In particular, it gets scientists compensation who work for defense contractors or for contractors in the national security area. That is a very serious decision this Senate is going to make today as to whether we are going to go out and drive the leading-edge technology people in this country out of national security issues and put them—maybe there is a motive here, to send them out to California to work for the movie industry. Maybe that is what is involved. I say that tongue-in-cheek, but that is exactly what will happen, and that is not right. That is not in the best interest of this country.

As the Senator from Iowa points out so eloquently, these caps on executives for the big companies don't work. Why? Well, quite aside from any claim of fraud or not telling us the real numbers is that a lot of the contracts that these corporations have are not cost-type contracts. They are fixed-price contracts. So the executives can get paid anything they want on fixed-price contracts, because as long as they deliver the item being procured at a certain price, they can pay anybody in the organization anything, and they do. That is OK as long as they give it to us for what we agreed to pay them for it.

So to suggest that somehow this cap works on lowering the compensation of high-priced executives in big corporations, it doesn't work; it will never work. We will come back every year

with these charts because we don't do all cost-type contracts, nor should we. In fact, it goes against one of the things we have been pushing for in reform of our acquisition in defense. Instead of just looking at low cost, we look at best value. We look at the best value for the taxpayer—not just cost, but value. And so what I think we are going to increasingly see is that this amendment is, in a sense, irrelevant for the large companies, but incredibly relevant for the small defense contractors who are leading-edge, doing leading-edge technology, many of whom are in California, I might add, and some of whom are in Pennsylvania, I am proud to say. But we are going to lose those people—the best and the brightest in the science fields—to industries other than national security, and that would be the crime if this amendment would succeed.

I yield to the chairman for such time as he may consume.

Mr. THURMOND. Mr. President, I yield myself such time as I may require.

Mr. President, I rise in opposition to the amendment offered by my good friends, Senator BOXER and Senator GRASSLEY.

Mr. President, I acknowledge that some executive salaries are exorbitant, but section 804 of our defense bill is a sound middle ground on the very controversial issue of payment of executive compensation under cost-type contracts with Federal agencies, including the Department of Defense. The section in our bill recognizes that the industries supplying goods and services to the Federal Government do not do so in isolation from the rest of the economy. They must compete with similar companies in the private sector for the limited pool of the most qualified technical and management people. Salaries for such people are not determined by a Government agency; they are set in the marketplace. Section 804 would provide a framework for ensuring that we can bring the best private sector talent to bear to support our national defense.

At the same time, section 804 would not permit the Federal Government to reimburse exorbitant salaries or other forms of compensation. The maximum allowable limit for executive compensation covered under this provision would not exceed $340,000, according to the Defense Contract Audit Agency, based on surveys conducted in 1995. In fact, the administration opposes section 804 because it provides too great a limitation on compensation, in their view. The administration wants to pay more, but we limit this to $340,000 in our defense bill.

Mr. President, section 804 is a sound means to settle executive compensation issues once and for all. It protects the interests of the taxpayer, both in the limits it places on reimbursement under cost-type contracts and by recognizing the relationship between compensation practices in the industries supporting defense and those in the commercial sector. I urge the rejection of Boxer-Grassley amendment.

We feel that our defense provision here covers it adequately and is in the best interest of the Government.

Mr. SANTORUM. I yield the Senator from Virginia whatever time he needs.

Mr. WARNER. Mr. President, I will take 3 or 4 minutes to pose questions to the Senator. It seems like here in the legislative bodies, whether it is tax, capital gains, or anything else, we are out to penalize a certain class of individuals who, by and large, have worked hard all their life, beginning in the educational system, to equip themselves with the knowledge, through a series of degrees, to take on the responsibilities of leading our corporate structure.

Whether they are scientists or financial managers, or whether they are just entrepreneurs, they make sacrifices often to start these businesses with their personal funds working long hours and giving up vacations.

So here we go again. But I would like to just sort of sketch a profile of a company that, say, is doing $100 million worth of business, and, say, 80 percent of it is pure private sector—nothing to do with Uncle Sam. But Uncle Sam would like to have a piece of the brain trust in this company, and, therefore, it comes around and the contract is theirs. In the first place, say that CEO is making $500,000 a year; well deserved. If he gets caught up in the indirect costs he is banged into the Boxer-Grassley cap, is he not?

Mr. SANTORUM. That is correct. The amount of money that will be allocated to defense contracts would limit his salary to a percentage which would be probably below what he would be paid otherwise.

Mr. WARNER. Then he will sit down. And he has to decide. ''Do I apply my brain power?'' Suppose he somehow is able to draw a firewall in the company, and the CEO and a lot of the other top people stay out of the contract. Does that not deprive the government of the benefit of the experience and the brain trust at the top salaries?

Mr. SANTORUM. What would happen is a couple of things. According to the Grassley amendment, it is my understanding they would be roped in no matter whether they did any work or not. They would be covered under this because their company is. It doesn't limit it just to people involved in defense contracts. It is anybody in the country.

That is No. 1.

No. 2, it would shift the cost of paying those salaries away from the defense contract to the private sector, which would make them less competitive out there in the private commercial sector, which would then probably say, Look, we can't be as competitive out there in the private sector. We are just going to walk away from this defense contract.

Mr. WARNER. One word: Disincentive.

Mr. SANTORUM. That is correct.

Mr. WARNER. Therefore, the board of directors and the CEO of this company are going to say, We are doing fine with 80 percent private sector. Too bad, national security. You are on your own. Of course, I recognize in most instances for patriotic reasons they will step into it. But nevertheless I think this is the wrong approach.

I say that with a great deal of empathy for my distinguished colleague with whom I have worked these many years. He is sort of a watchdog. I commend him for such innovation. But I suggest that our committee has done its work, and I strongly urge the Senate to back the solution to this problem as devised by our distinguished colleague from Pennsylvania for the Armed Services Committee.

I thank the Senator.

Mr. SANTORUM. I would agree with the Senator from Virginia. The Senator from Iowa has been a dogged—I don't mean to use metaphor—dogged in his watchdog of the Federal Treasury. But he is chasing——

Mr. WARNER. If the Senator will yield, he is our inspector general.

Mr. SANTORUM. He is chasing the wrong—in this case, the dog is chasing the wrong person. What you end up chasing is chasing very skilled technical people and very highly competent managers of people out of the business who want to be more and more competitive.

Again, I chair the subcommittee on Acquisition and Technology. My real concern here in the committee is the technological advances. What we are hearing in the testimony is more and more we will have to go out into the commercial sector and get the technology that is being put together in the commercial sector to bring that into the defense area at a lower cost that is more efficient and more effective. If we limit the compensation, we are just simply not going to get those commercial entities involved in the defense industry. That is a real crime. We are giving up resources and talent and capability by limiting it, as we are here, to a salary of one-quarter of what a shortstop of the Pittsburgh Pirates makes who bats—actually the shortstop is batting over .200, but not much over .200 right now. That is not right. And I think it is counterproductive for national security.

I reserve the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield such time as I may require.

Mrs. BOXER. Mr. President, parliamentary inquiry: Can I ask how much time the Senator from Pennsylvania has remaining and the Senator from California has remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 11 minutes and 41 seconds. The Senator from California has 5 minutes and 25 seconds.

Mrs. BOXER. I will be happy to withhold.

Mr. SANTORUM. I yield to the Senator from South Carolina such time as he may consume.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to commend Senator SANTORUM, the able chairman of the subcommittee that handled this matter, for all the good work he did on that subcommittee.

I also wish to commend the able Senator from Virginia for his explanatory remarks on this subject.

I think this matter is so clear that no other conclusion could be reached than the position taken by the able chairman of the subcommittee, Senator SANTORUM, and the able Senator from Virginia, and others who have taken that position.

Mr. President, I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, sometimes I feel like Alice in Wonderland. And this is one of those moments.

The Senator from Virginia says this is an innovative idea—the amendment by myself and the Senator from Iowa. Mr. President, this is the same idea that this body voted for unanimously 2 years ago except we set a cap at $250,000. Now we set it at the level of the pay of the President of the United States. So this isn't innovation. This is tightening the loophole.

Every Member of this body went along with this notion of capping the amount that taxpayers would pay in 1 fiscal year to a Federal contractor from taxpayer funds. They want to get millions of dollars from the private sector. God bless them. But we believe it is the appropriate thing to do when you look after the taxpayers' purse to put a reasonable limit.

I wish that I had heard the same passion that I heard today from the Senator from Pennsylvania when we debated the minimum wage.

I will tell you. The Senator from Pennsylvania says, what about a new firm starting out and they know they can only make $200,000 a year rather than the Federal Government? Wouldn't that inhibit them? I think for a new firm starting out that is not a bad salary. Maybe in Pennsylvania $200,000 a year isn't a lot of money, but where I come from it is a lot of money. And we don't limit what people can make outside of the Federal Government.

Then the Senator from Pennsylvania says he doesn't care what executives get. He doesn't care. Well, he should care, if five executives in one company pull down $4 million, $3 million, $2 million, $2 million, $2 million respectively in 1 year when we thought we had a $250,000 cap in place.

So I would ask my friend from Iowa if he would like to sum up because we are getting to the end of this debate. I don't quite understand why our proposal is being looked at as something brand new when in fact we thought the $250,000 cap was in place, and now what we are all trying to do is tighten down the hatches and make sure people do not take advantage of taxpayers, and we are treating this as if we have come up with some new idea. If he would care to comment on that and perhaps close the debate, I would be happy to yield him any remaining time.

Mr. GRASSLEY. Mr. President, I think that is what is at stake here with the debate on our amendment as well as the debate on what has actually been taking place when there has been a cap in the law for the last year or so, and that is that the caps aren't working. But also the principle of a cap has been the policy of this Congress for a long period of time. We want to continue that policy. We want that to be an effective policy. We want a committee that is charged with the oversight responsibility for a law that this body passes to make sure that that policy is followed to a ''t'' by the Defense Department. We see all of that at issue here in our amendment. This isn't just an issue of $200,000 versus $250,000 or a new suggested limit of $340,000. It is the integrity of this body making public policy on defense, and is the Congress of the United States going to be followed by the agency executing our laws?

We are finding out that Congress wants a cap. We are finding out even on a reconsideration of that law that the Armed Services Committee argues for a cap. We want it to be an effective cap. There might be an argument about $200,000 versus $340,000. I will buy either limit. But what I want is a limit that is enforced. I want the committee to know how much money we are paying out.

We are told that they don't even know. They ought to know where the taxpayer dollars are going, the names of the people receiving them, and how much is going out.

That is the issue with this amendment as much as whether it is $200,000, $250,000, or $340,000. Let's get this principle established firmly by voting for this amendment, and let's see that the cap is enforced.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I have sympathy for what the Senator from Iowa is saying. The fact of the matter is the amendment doesn't accomplish what he wants to accomplish. We will be back here next year, if the Senator's amendment passes, with the same because all the Senator's amendment does is limit cost-type contracts. It does not limit those contracts in which we purchase things from contractors for a fixed price. We tell them when we purchase it for a fixed price, You can pay whoever you want. You can pay whatever you want for the material. You can pay the executives anything as long as you deliver the product at this price. So they allocate some substantial portion or what looks like at least some portion of these contract dollars. That is perfectly legal.

If the Senator wants to say that we should not do any fixed-price contracts, come with an amendment that says that. If he comes with amendment that says we don't limit fixed contracts—I don't think he would support it, but the Senator from California supports it—then we can deal with this issue. But if all you are going to deal with is one type of contract which is cost, then go out and show compensation levels that include moneys from fixed-pricing contracts. That is what they have done.

So for all of the passion—and I believe in the passion of the Senator from Iowa, and the Senator from California—it doesn't solve the problem; at least what they perceive as the problem. What I perceive as the problem with their amendment is it does hurt since technology and the highly competent people we need to be in the national security area. And, frankly, not just national security but in all areas of Government, if we can get them.

As I mentioned before, wouldn't it be nice if we had a more modern upgraded air traffic control system? And we have the ability to pay scientists the amount of money in contracts to be able to design those. Under this amendment we could not get the best and the brightest to do that.

So what this executive compensation amendment really effectively does is limit the amount of money that we can pay people in the high-technology field, the scientists and the information specialists that we need to move the national security front forward.

So for that reason alone it should be soundly defeated. We cannot afford, as we draw down defense, as we reduce our troop levels, as we continue to rely more and more not only on high-tech—which is certainly something we rely more upon, high technology but on commercial technology and commercial contracts—contracts with commercial organizations who will steer clear of Government contracts, if they are going to be limited in how much they can reimburse their scientists and other personnel through their technology that they are sharing, because if they limit it they have to pass that cost on to their private sector clients which makes them uncompetitive. So they will choose not to compete in the defense area. So we lose valuable commercial technology.

So we are not only losing the scientists. We are losing the opportunity in the commercial area. We are creating a disincentive for people to be involved. And, even with all of that, if we adopt the amendment, it wouldn't work. So it accomplishes all those negative things, and the one positive thing they choose to accomplish it does not accomplish because it does not limit anybody's salary except those small

businesses that have primarily cost-type contracts. Those small businesses, 80, 90 percent of the contractors that have principally cost-type contracts, they get nailed by this amendment. All the big guys it does not bother. It nails the small companies and their ability to compete, to get compensated for the technology that they are inventing in many cases and to get good people to work in those businesses in towns all across America.

This is a dangerous amendment for national security. It is an amendment that I hope is overwhelmingly rejected. It is an amendment that I know the Senator from Connecticut, the ranking member, opposes and I know the ranking member on the full committee, Senator LEVIN, opposes. They support the underlying committee decision which, I would add, is opposed by the White House because they believe our cap is too low.

I know that this amendment has passed in the past, and the Senator from California said it was passed overwhelmingly, but I would implore that the Senate come to its senses in this case and realize its impact.

I now yield the remaining part of my time to the Senator, the ranking member, from Connecticut, Mr. LIEBERMAN.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. I was concerned that my friend and colleague from Pennsylvania, the chairman of the subcommittee, thought I was missing in action on a controversial matter. I apologize. I was involved in a Government Affairs campaign finance investigation.

I stand solidly and strongly with the chairman of our subcommittee. It is my privilege to be his ranking Democratic member in fashioning the proposal on compensation of executive salary which is in the DOD Authorization Act before us. We compromised and, as I believe I just heard the Senator from Pennsylvania say, we specifically rejected a proposal from the administration that would have permitted reimbursement of salaries as high as $4 million a year for some senior executives in the largest corporations.

To tell you the truth, they had a plausible argument in terms of getting the best people to do the job for our defense needs, but it was, we thought, an untenable argument so we came up with this modest increase in the cap. The cap is rationally based. In fact, in some ways it is tighter than any of the limitations in law today for the simple reason that, unlike those limitations, our provision would apply to all costs charged on all defense and nondefense contracts regardless of when the contracts may have been entered.

The flexibility provided by our approach, which is to say to base the limitation on a median private sector salary, is likely to be particularly important to small companies that rely on Department of Defense business. Unlike the larger and diversified companies that can eat the larger executive salaries, many smaller businesses, particularly the high-technology businesses that are the source of so much growth around our country, are not in a position to pay their executives what the market requires and absorb or, to use the phrase I used before, ''eat'' any unreimbursed amounts. If the cap that we set is too low, some of these businesses are going to have difficulty attracting and retaining qualified personnel.

Mr. President, the proposed amendment, which would lower the cap to $200,000, is, in my opinion, not necessary to protect the taxpayers from excessive executive salaries. If a contractor pays an executive, for instance, the $4 million a year that might have been allowed under the Pentagon proposal, the provision in the underlying bill would disallow $3,660,000 of that salary. The proposed amendment would save an additional $140,000. That is a difference of less than 4 percent, and the cost of it in terms of lost opportunity is much larger.

What we will lose by going after that additional amount is far more significant than the amount of money that will be gained. We are going to lose the flexibility for small businesses that are dependent on Government contracts to pay what the market requires to attract the skilled professionals that they need to provide the quality products and services that we need to maintain our national security. We risk driving such experts out of companies that work for the Government and reducing the expertise available to our Government, the Pentagon and other Federal agencies, and, most important I believe, we risk driving some small businesses that are highly reliant on such experts out of doing business with the Government at all.

Mr. President, the amendment before us, of course, is an easy amendment to vote for. We can say we took a whack at high salaries of executives of companies. What I am suggesting is the difference between the amendment and the underlying bill is minimal and the consequences for a lot of people, for a lot of companies, for a lot of areas of our country where those companies exist, for our Government itself in obtaining the highest quality, most cost-efficient products is much, much greater.

So it is not an easy vote. But, of course, that is not why the Senate is here. This is the right vote. I urge my colleagues to reject this amendment and stand by the very reasonable proposal in the underlying bill.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, I have 12 seconds; is that correct?

The PRESIDING OFFICER. That is correct.

Mrs. BOXER. OK.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, the cap in the committee bill is so full of loopholes, it is not going to work, just like the last one did not. People brought down $4 million from Federal taxpayers in 1 year.

Support the Boxer-Grassley amendment. Let us do what we said we would do 2 years ago.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania has 1 minute 13 seconds.

Mr. SANTORUM. How much time?

The PRESIDING OFFICER. A minute and 12 seconds.

Mr. SANTORUM. I cannot be any more eloquent than the Senator from Connecticut in defending this position. I urge the Members to look at this issue and to stay away from this populist appeal and look at the impact, as the Senator from Connecticut said, on small business and on high-technology firms that desperately need to get out there and compete in the marketplace.

I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized to offer an amendment.

AMENDMENT NO. 799

(Purpose: To increase the funding for Navy and Air Force flying hours, and to offset the increase by reducing the amount authorized to be appropriated for the Space-Based Laser program in excess of the amount requested by the President)

Mr. BINGAMAN. Mr. President, I thank the Chair. I understand we are going to have some votes at 6 o'clock. So I will take a few minutes here to explain the amendment that I am offering. Senator DORGAN also wishes to speak in favor of the amendment. I believe the Senator from New Hampshire, Senator SMITH, wishes to speak in opposition to it and maybe some others on both sides.

Let me start by describing what the issue is. The administration has requested $29 million in this next fiscal year for the space-based laser program which is operated under the Ballistic Missile Defense Office. This is the same funding request level as we have had for the past 2 years. It is the same level that is planned for each of the next several years. This essentially is money to continue the research and development part of this program, which the administration supports, which I support. But the bill which has come to the Senate floor, which the committee has passed out, adds an additional $118 million in this next fiscal year for a total of about $148 million. The amendment that we are offering here will bring the funding level back to what the administration requested. That is $29 million. It shifts the $118 million that the committee added to this space-based laser program to increase the flying hours for the Air Force and

the Navy both, $59 million for the Air Force and $59 million for the Navy.

Mr. President, with that short description, let me send this amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 799.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle A of title X, add the following:

SEC. 1009. INCREASED AMOUNTS FOR AIR FORCE AND NAVY FLYING HOURS.

(A) INCREASE.—Notwithstanding any other provision of this Act, the amount authorized to be appropriated under section 301(2) is hereby increased by $59,000,000, and the amount authorized under section 301(4) is hereby increased by $59,000,000.

(b) DECREASE.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated to be appropriated under section 201(4) is hereby decreased by $118,000,000.

Mr. BINGAMAN. Mr. President, as I indicated, the bill that we have before us adds $118 million to what is called the space-based laser readiness demonstrator program. That funding level represents 5 years' worth of the planned space-based laser funding—planned by the Pentagon. In order to sustain the program at this increased level, which the committee has reported here, would require an additional expenditure of somewhere between $200 million and $300 million a year, which is more than 10 times what is planned for future budgets.

Mr. President, let me try to demonstrate the difference that I am talking about with this chart.

This chart tries to lay out between now and the year 2005 the current rate—which is in green here on this chart—the current rate of funding, cumulative funding, that is requested for this space-based laser activity by the Pentagon, and the yellow in this chart is what the committee would propose to begin adding.

Now, we do not do all of that. This is a 1-year defense authorization bill. We just add $118 million to the $29 million that the Pentagon requested the first year. But if you take the best figures that have been given us and say we are going to have an additional $200 million a year added, so you put the cumulative amount there, you can see that the total amount by the year 2005 is a very substantial figure.

The larger context for considering this space-based laser program involves four basic questions. Let me briefly go through each of those. First of all, what is a space-based laser? People need to understand something about that, and I will try to explain it. Second, how would a space-based laser fit into the U.S. plan for a national missile defense? Third, is there a threat that warrants or justifies developing and deploying a space-based laser? And finally, No. 4, would it be affordable for us to do so? Would it be cost effective for us to do so?

Let me try to explain first what a space-based laser is and then answer each of these other questions.

Mr. President, the space-based laser, which is the subject of this amendment, is technology that was born in the early days of the Strategic Defense Initiative, SDI. For those who have followed this set of issues over the last decade or so, they will remember the star wars proposals that we debated on the floor. The crown jewel of that star wars program was the space-based laser. It held out the promise of tens of satellites constantly orbiting the Earth ready to zap the hundreds upon hundreds of Soviet nuclear ballistic missiles that were launched from land and sea both.

The idea behind the space-based laser is that we would orbit a group of perhaps 20 or perhaps more very large satellites. Each satellite would be in the range of 80,000 pounds and each of them would be equipped with a chemical laser on the satellite. The chemical laser would produce a beam of very high-energy laser light that would then be focused very carefully with a very huge mirror so that the laser beam could be focused on missiles when they were first launched. That was the idea of getting up in space, so that you could zap a missile when they first launched it. You didn't have to wait until the missile actually came near your territory.

This would require having equipment on the satellite capable of detecting and tracking and pointing the laser at a relatively small object some 1,300 kilometers away over a long enough period of time to permit the laser energy to destroy the missile.

The satellites are so large, the satellites contemplated in this program of space-based lasers are so large and so heavy, we would have to design and build an entire new series of heavy space-launch vehicles with enough lifting power to get one of these huge payloads, 40 tons, into space—80,000 pounds, 40 tons. There is today no rocket, there is no space-launch vehicle currently in our inventory that can boost such a large payload into space. The cost of building such a booster would represent a significant part of the cost of any space-based laser system. The space-based laser readiness demonstrator which we would fund or begin to fund with the $118 million provided in the bill is meant to demonstrate that the many technologies that are required in order to accomplish what I have just described can be met and overcome. The demonstrator would be a reduced size system with all the necessary technology and parts to make all the components work together at the same time.

This would presumably cost several billion dollars to find out the answers to these questions. The money does not exist anywhere in the Pentagon's budget plan for this coming year or the next 5 years, or the out years even after that. So, clearly that money would have to come from other defense programs.

I should point out that this chart, which takes us through the year 2005, does not get us to actual deployment, or development even of a space-based laser. This only gets us to the development of this demonstrator, which I think, as I indicated, is a half-size replica of what we would actually be talking about developing at some future date.

The second question I mentioned, which needs to be dealt with, is, how does this space-based laser fit into our National Missile Defense Program? The United States is developing a National Missile Defense System to defend against a small Third World nation ICBM program, an intercontinental ballistic missile program that has not emerged yet and is not, in fact, expected to emerge for another 15 years. But we are developing that program. The National Missile Defense Program is designed to be compliant with the ABM Treaty, although it remains to be seen whether we might need to change or propose changes or withdraw from that treaty at some time in the future.

There is no U.S. plan to deploy a space-based laser system, and we know of no justification today for doing so. That is why the Pentagon has asked merely to continue with research and development funding in this area.

Furthermore, the cost of deploying such a system would be enormous. The existing National Missile Defense System Program involves developing a ground-based missile interceptor capability which is very different from a space-based laser. The ground-based defense system just had its development cost increased from $2.3 to $4.6 billion. The administration requested that increase.

Our committee is proposing that the Senate go along with that increase. We are adding $474 million to this year's defense bill in order to do that, and nothing in our amendment that I am talking about here would affect that at all. But the cost to deploy the National Missile Defense System last year was pegged at about $10 billion. When you add to that the space and missile tracking system, you get another $5-or-so billion. So we are already planning on paying something in the order of $17 billion for the limited National Missile Defense System that is designed to stop a handful of rogue missiles coming into this country. As I said before, we have no plan, however, to pay the additional tens of billions of dollars to actually develop and deploy a space-based laser.

The third question that I cited when I began my comments is, is there a threat that this country faces to our

national security, a threat that would justify developing and deploying the space-based laser? The National Missile Defense System that we are developing today that I just described is meant to defend against a handful of these ICBM's that might be launched at some future date by some rogue nation, if they develop the capability to do that. According to the administration, there is no significant ballistic missile threat being faced by the United States today.

North Korea is the only nation considered to be actively trying to develop such a missile. But the North Korean economy is in terrible shape. Their own military, according to the best information we have, is going hungry in some cases. The Defense Intelligence Agency publicly stated that their country is—I believe they used the phrase ''probably terminal.'' Neither Russian nor Chinese strategic missiles are considered a threat today because neither nation has a plausible reason to attack the United States. And, of course, we maintain an overwhelming nuclear deterrent capability, which we should maintain.

The United States and Russia have detargeted their ICBM's and their SLBM's, which means that no accidental launch could be expected from either territory toward the other country. So this is not a threat situation that requires a space-based laser. This is not a threat situation that requires rapid and expensive development of this so-called readiness demonstrator, as this accelerated program is referred to.

The final issue I wanted to mention is the issue of cost. Is the space-based laser either affordable or cost effective? Last year's Defend America Act, as proposed but not as enacted, included a requirement for space-based lasers. That was a primary factor that led the Congressional Budget Office to estimate the cost of the system at up to $60 billion to procure and up to an additional $120 billion to operate it over the next 30 years.

The Department of Defense stated recently that CBO's cost estimates may have been too low and that the cost of building and launching a space-based laser system is almost certainly higher than those figures. One reason for the high cost, as I mentioned in describing a space-based laser, is the cost of launching the heavy laser systems into space. We need a heavy-lift booster that does not exist today. It would be very expensive to develop. The cost of such a system is totally outside the realm of the current budget or the planned defense budgets. This would not be affordable, and it is not likely that it is cost effective against the limited emerging ballistic missile threat. The current program is designed to handle any foreseeable limited ballistic missile attack from a rogue nation.

The Department of Defense has recently doubled the cost estimate for the development program, as I mentioned, and there is no plan to deploy even that ground-based missile interceptor system today unless and until a real threat emerges. If such a deployment is warranted, obviously we will have to spend substantially more. But none of the deployment funds are planned in any future defense budget even for the ground-based missile defense system, the missile interceptor system that I described.

DOD has no plans to fund the space-based laser program at the much higher levels that are proposed in this defense bill. DOD clearly has higher priorities. We need to protect those higher priorities and not pass a bill here which commits us or which starts us down the road toward spending money on programs that the Department of Defense has not requested.

The bottom line is that we are nowhere near deploying a space-based laser. There is no need for us to do so. The administration already has a very expensive National Missile Defense Development Program underway. And unless this amendment that we are offering here this evening is adopted, the Senate will be putting five times as much money into the space-based laser program as the administration has requested in 1998, and we will be starting down the road to developing a demonstrator and eventually a space-based laser program that will be hugely expensive and of very marginal value to our national security.

So I urge my colleagues to support the amendment. At this point, I yield the floor. I suggest the absence of a quorum, if there is nobody else wishing to speak at this point.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, let me just add a couple of items that I overlooked, since we have just another couple of minutes here before the vote occurs.

As I indicated in describing the amendment, we are suggesting that the $118 million which we are trying to delete from the bill for the space-based laser program be, instead, transferred over for Air Force and Navy flying hours. The reason I have offered that suggestion is a letter from the Secretary of Defense to Senator LEVIN, and I am sure Senator THURMOND also received a copy of it. The letter is dated the 23d of May. Former Senator Cohen, now Secretary Cohen, stated in this letter:

> In addition to adjustments reflective of the Quadrennial Defense Review, I recommend a fact-of-life adjustment concerning flying hour costs. The Navy and the Air Force are both experiencing greater costs per flying hour than anticipated in their budgets. We are currently analyzing the causes of this increase, but the preliminary indications are that the increase is caused by greater spare parts requirements per flying hour than were experienced in the past. We estimate the impact of these increases to be $350 million for the Navy and $200 million for the Air Force.

So he has requested that we add the total of $550 million to the combined flying hours for the Air Force and the Navy. This amendment adds $59 million to the Air Force and $59 million to the Navy. Obviously, it does not meet the entire requirement as stated by the Secretary of Defense, but it moves us in the right direction.

So I do think this is a better use of the funds. It is a use that the Pentagon itself and the Secretary of Defense have indicated they support. For that reason, that is what we are suggesting be done with the funds.

Mr. President, let me also, before I yield the floor again, ask unanimous consent that Senator DORGAN be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I yield the floor.

Mr. CONRAD. Mr. President, I rise in support of the amendment offered by my friend from New Mexico, Senator BINGAMAN, which would cut the $118 million added to the bill for the space-based laser [SBL] program.

As my colleagues are aware, I have long supported development of a national missile defense system to protect our Nation from the threat of a limited accidental or unauthorized ICBM launch from an established nuclear power, and from the threat of attack from a rogue state, such as North Korea, Libya, and Iraq. To ensure that our NMD program makes good fiscal and national security sense, I believe that the system we develop must meet the common sense criteria of affordability, compatibility with our arms control treaties, and utilization of existing technology. These key tests provide a reliable guide for developing an affordable, responsible, and reliable means of countering the limited threat we will face early in the next century.

Although sometime in the next century we may do the NMD and theater missile defense missions from space, I do not believe that this is the time to invest $118 million in the SBL. This money would be much better spent if invested in promising missile defense systems we are very close to having today, such as the Minuteman-based NMD option, and the Airborne Laser TMD program of the U.S. Air Force.

I also do not believe we need to start a funding stream that would obligate us to spend more than $1 billion over the next 7 years to field only a single SBL demonstrator satellite. With the Minuteman and ABL systems becoming available, there is simply no reason to put us on a slippery slope toward an unnecessary operational SBL deployment that will surely cost tens of billions of dollars.

In addition to failing the affordability test, pressing forward with the

SBL today represents a clear threat to arms control. As my colleagues may be aware, the ABM Treaty explicitly prohibits space-based missile defense systems, and the Russians have stated clearly their belief that development of such a capability by the United States would lead to a renewed arms race.

It is true that the $118 million in question would go toward development of a demonstrator SBL satellite, and that the ABM Treaty permits development of missile defense systems that would not be treaty compliant if operationally deployed. Nevertheless, development of such a capability would logically increase the likelihood of deployment of space weapons before they are necessary or wise. In light of the near-term, treaty-friendly NMD and TMD capability offered by the Minuteman and ABL systems, we would needlessly be putting our Nation on course to violate the ABM Treaty and re-ignite the arms race.

Finally, Mr. President, aggressive SBL development today fails the third key test I outlined earlier—utilization of existing technology. Although the SBL would leverage research done on the ABL, the SBL is still new, untested technology. We know much more about how lasers perform in our atmosphere than in space. We have also never deployed weapons in space.

Because of these considerations, we could expect costs to grow, testing and deployment schedules to slip, and reliability to be highly questionable. I hope my colleagues would agree that the ABL is a much better investment in laser-based missile defense systems. It will provide the same boost-phase intercept capability as the SBL nearer-term, at a lower cost, and without endangering our arms control agreements.

Before closing, Mr. President, I would also note on the subject of technology that even if we were to construct an SBL capability, its satellites would be too massive for any existing U.S. booster rocket to loft into orbit. The one American rocket that could have gotten the job done—the Saturn V that sent the Apollo astronauts to the Moon—was retired over two decades ago. As it stands, the only alternative to investing millions or billions more in a new heavy booster would be using Russian's Proton rocket. The fact that the SBL represents a clear threat to the ABM Treaty leads me to believe that our Russian friends would be far from eager to help us in this regard.

Mr. President, the SBL is a fascinating technology, and I commend the committee for their interest in what could several decades from now be the right answer to our missile defense needs. However, this is not the time for the SBL. The Minuteman and ABL systems are not only near-term, but meet the commonsense criteria of affordability, compatibility with our arms control agreements, and utilization of existing technology to an extent the SBL simply cannot. For this reason, I support the Bingaman amendment striking funding for the SBL, and urge my colleagues to support its adoption.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

AMENDMENT NO. 668, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there are 2 minutes equally divided on debate preceding the motion to table the Senator's amendment. Does the Senator wish to proceed under that order?

Mr. WELLSTONE. That is correct.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. WELLSTONE. Inquiry, Mr. President. Is it 2 minutes time equally divided?

The PRESIDING OFFICER. The Senator is correct. The Chair is corrected. The Senator is recognized for 1 minute.

Mr. WELLSTONE. Mr. President, this amendment, which I offered on behalf of myself, Senator HARKIN, Senator DASCHLE, and Senator KERRY of Massachusetts, is very simple and straightforward. It simply would authorize the Secretary of Defense to be able to transfer $400 million to veterans health care.

In the budget resolution, we cut $400 million out of the health care budget of veterans. We have more Persian Gulf veterans who are seeking care. We have more and more veterans who are living to be 65 and living to be 85. We have veterans who are struggling with PTSD. This is a huge mistake. We should not be doing this. This gives us an opportunity to really be there for veterans.

There are three wonderful letters from Paralyzed Veterans of America, Vietnam Veterans of America, and Disabled Veterans of America, all of which strongly support this amendment. I hope we will have a good, strong vote. I hope we will win on this. I say to colleagues, one way or the other, we have to restore these cuts in veterans health care.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, if this body allows these amendments, or other amendments, to lower defense spending below what was agreed to in the budget agreement, we will be responsible for the impact on the readiness of our forces. We will increase the tempo of our operating forces and will not be able to provide the quality-of-life programs our service members deserve.

Mr. President, there are all kinds of amendments here that take money away from defense and give it to other things. Why don't they find some other way to do it and not take it away from defense. Defense needs every dollar that we have here, and I oppose the amendment.

The PRESIDING OFFICER. The Senator has 15 seconds.

Mr. THURMOND. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the motion to lay on the table amendment No. 668, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—58

Abraham	Glenn	McConnell
Allard	Gorton	Murkowski
Ashcroft	Graham	Nickles
Bennett	Gramm	Robb
Bond	Grams	Roberts
Breaux	Gregg	Rockefeller
Brownback	Hagel	Roth
Bryan	Hatch	Santorum
Burns	Helms	Sessions
Chafee	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Cochran	Inhofe	Smith (OR)
Collins	Kempthorne	Snowe
Coverdell	Kyl	Stevens
Craig	Landrieu	Thomas
DeWine	Lieberman	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner
Faircloth	Mack	
Frist	McCain	

NAYS—41

Akaka	Durbin	Lautenberg
Baucus	Feingold	Leahy
Biden	Feinstein	Levin
Bingaman	Ford	Moseley-Braun
Boxer	Grassley	Moynihan
Bumpers	Harkin	Murray
Byrd	Hollings	Reed
Campbell	Inouye	Reid
Cleland	Jeffords	Sarbanes
Conrad	Johnson	Specter
D'Amato	Kennedy	Torricelli
Daschle	Kerrey	Wellstone
Dodd	Kerry	Wyden
Dorgan	Kohl	

NOT VOTING—1

Mikulski

The motion to lay on the table the amendment (No. 668) was agreed to.

Mr. THURMOND. I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I ask unanimous consent that the following sequenced votes be limited to 10 minutes in length.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 794, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there is now 2 minutes equally divided on Gramm amendment No. 794. The yeas and nays have been ordered, and the vote will follow.

Who yields time?

Mr. GRAMM. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Chair was in error. The yeas and nays have not been ordered.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Two minutes of debate will be equally divided.

The Senator from Texas.

Mr. GRAMM. Mr. President, we have 1,100,000 people in prison. We have passed laws in Congress banning them from working to sell anything in the private sector. The last place we can force them to work in is to produce goods to be sold to the Government.

The Levin amendment will end prison labor in America. It is violently opposed by the National Victims Center because the money we get from working prisoners goes to compensate victims.

I yield the remainder of my time to the chairman of the Judiciary Committee.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. This is a very serious amendment. What the Gramm amendment does is it provides for a study in the procurement program.

The PRESIDING OFFICER. The Senator will suspend.

The Senate is not in order. The Chair cannot hear the Senator from Utah.

The Senator from Utah.

Mr. HATCH. The only hope we have to rehabilitate these prisoners is to get them to work. The only work they do is Federal Prison Industries work. Basically, they can only sell their products to a Federal procurement program, and they have to be products of quality and products of price and products of distribution that work. So if we take this away from them, we take away one of the most important aspects of rehabilitation of criminals. So I hope people will vote for the Gramm amendment and vote down the Levin amendment.

The PRESIDING OFFICER. Time has expired for the proponents. The Senator from Michigan.

Mr. LEVIN. Mr. President, we obviously want people in prison to work, but we also want people who are out of prison to have an opportunity to compete. The current Federal Prison Industries approach will not permit people to compete even when their prices are lower than the Federal Prison Industries price. That is not fair to all the small businesses in this country. Hundreds of them have banded together in a Competition in Contracting Act Coalition. Small businesses in all of our States just want the right to compete when their prices are lower.

I yield the remainder of my time to Senator ABRAHAM.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank the Chair.

This amendment that Senator LEVIN and myself, Senator KEMPTHORNE and others offered will not end work in prisons. It will not prevent prisoners from, through rehabilitation, learning skills. It just levels the playing field to allow private companies to compete with prison labor for these contracts that are now exclusively given to Federal Prison Industries offered at a significant cost to the taxpayers from what would exist if we had a level playing field in competition. The taxpayers should not have to pay extra for these materials and products supplied through Federal Prison Industries.

The PRESIDING OFFICER. All time having expired, the question now is on agreeing to the Gramm amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—62

Akaka	Durbin	Leahy
Ashcroft	Feingold	Lott
Bennett	Feinstein	Mack
Biden	Graham	McCain
Bingaman	Gramm	McConnell
Bond	Grams	Murkowski
Brownback	Gregg	Murray
Burns	Hagel	Nickles
Byrd	Harkin	Roberts
Campbell	Hatch	Rockefeller
Chafee	Hollings	Roth
Cleland	Hutchinson	Santorum
Coats	Hutchison	Sarbanes
Cochran	Inhofe	Snowe
Collins	Jeffords	Specter
Conrad	Johnson	Stevens
Coverdell	Kennedy	Thompson
Craig	Kerrey	Thurmond
DeWine	Kohl	Torricelli
Domenici	Kyl	Wyden
Dorgan	Landrieu	

NAYS—37

Abraham	Frist	Moynihan
Allard	Glenn	Reed
Baucus	Gorton	Reid
Boxer	Grassley	Robb
Breaux	Helms	Sessions
Bryan	Inouye	Shelby
Bumpers	Kempthorne	Smith (NH)
D'Amato	Kerry	Smith (OR)
Daschle	Lautenberg	Thomas
Dodd	Levin	Warner
Enzi	Lieberman	Wellstone
Faircloth	Lugar	
Ford	Moseley-Braun	

NOT VOTING—1

Mikulski

The amendment (No. 794), as modified, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 778, AS AMENDED

The PRESIDING OFFICER. Under the previous order, the question is now on agreeing to the Levin amendment, as amended.

The amendment (No. 778), as amended, was agreed to.

The PRESIDING OFFICER. The question is now on the Boxer amendment No. 636. Under the previous order, there are 2 minutes equally divided.

Mr. THURMOND. Mr. President, I move to table the Boxer amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, before we begin the last vote, after consultation with the Democratic leader, I have a unanimous-consent request I would like to make. If we can get this agreed to, we would have this remaining 10-minute vote and then we would go on to debate on the amendments we have identified, with the votes to occur in the morning on these issues at 9:45.

So I ask unanimous consent that, following the stacked votes, Senator BINGAMAN be recognized to modify his amendment No. 799, and that there be 30 minutes of debate, equally divided in the usual form, and that no second-degree amendments be in order and, following the expiration or yielding back of time, a vote occur on or in relation to the Bingaman amendment at 9:45 on Friday.

Mr. BINGAMAN. Mr. President, reserving the right to object, can I just clarify something? If we can have that half hour of debate beginning at 9:15 tomorrow right before the vote, that would be ideal.

Mr. LOTT. Part of what we are trying to do is to get an agreement to have debates tonight so we can have votes in the morning at 9:30 or 9:45. I thought there was a need just to have a vote at 9:45. Our intent is to finish the defense authorization bill tomorrow. In order to do that—we understand that, other than the three amendments we may get agreement on tonight, there may be three amendments or so tomorrow. We are going to try to identify those and get time agreements and have the votes so that we can, hopefully, get out of here by 12:30 tomorrow.

So if the Senator would be willing, we could have the debate tonight and then if you want to, in the morning, come in at 9:30 and have 15 minutes more of the time equally divided, in addition to the 30 minutes tonight, and have the vote at 9:45 because of other considerations, I think that would be a good arrangement.

Mr. BINGAMAN. That would be fine if we could have 15 minutes tomorrow morning before the vote, equally divided.

Mr. LOTT. I understand.

Mr. WARNER. Reserving the right to object. The distinguished Senator from Texas and the Senator from Virginia have an amendment relating to our policy in Bosnia—the United States policy in Bosnia—particularly with respect to the mission of capturing alleged war criminals. I would like to

have the opportunity to have that debated at whatever time is convenient for the managers of the bill.

Mr. LOTT. Mr. President, I was going to get the agreement on the Bingaman amendment and then we would go on through some other information here.

Mr. WARNER. I withdraw that.

Mr. LOTT. We would like to have debate on three identifiable amendments tonight, with three votes occurring in the morning, stacked, at 9:45. This can be one of those three that we would like to have debated tonight and voted on first thing in the morning.

Mr. KYL. Mr. President, may I ask the majority leader this question? I simply want to withdraw two amendments and substitute versions that have been cleared on both sides. I wonder if I might do that before the Bingaman amendment is discussed this evening.

Mr. LOTT. Mr. President, let's get the unanimous-consent request, and I believe the Senator could do it right at that point before we go to the vote.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Let me clarify what it is, since it has been changed.

The request is that we have 30 minutes of debate tonight after the stacked votes on the Bingaman amendment, that there be no second-degree amendments in order, that when we come in at 9:30, we will have 15 minutes, equally divided, on the Bingaman amendment, with the vote beginning at or about 9:45. So that is the first part of the request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that the amendment by Senator WARNER and Senator HUTCHISON be next in order tonight. How much time will be needed?

Mr. WARNER. Thirty minutes a side.

Mr. LOTT. With 30 minutes, equally divided, on that——

Mr. LEVIN. Mr. President, reserving the right to object, we have not seen that amendment yet, as far as I can tell from staff. Before we can agree to that time limit, we would like to see the amendment. We thought you were referring to a different amendment relative to Bosnia that we think may be able to be worked out without a rollcall; we are not sure. If this is a different amendment, we would like to see it.

Mr. LOTT. I will revise it to this extent. Next would be the Warner-Hutchison amendment. We won't lock in a time agreement now, but it would be the second vote in order stacked in the morning at 9:45.

Mr. LEVIN. Well, that amounts to a time limit. May we see that amendment before the UC is propounded?

Mr. WARNER. Of course, it can be examined. I suggest that the Senator from Michigan might agree to the UC, with the understanding that it would be reopened if you took the initiative.

Mr. LEVIN. We would like to see the amendment.

Mr. LOTT. Mr. President, I see the Senator from Wisconsin in the Chamber. I understood he had an amendment he might like to offer. We don't know what the disposition would be, but I ask unanimous consent that the third amendment to come up be the Feingold amendment on or in relation to Bosnia, and any vote thereon, if needed, would be at 9:45 in the stacked sequence, also.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. I understand that there may be as many as four or five additional issues to be resolved on this bill. I encourage all Members who have amendments that they really are serious about identify those to the managers of the legislation tonight, and any votes ordered on those will be stacked. We will try to get a unanimous-consent agreement on the time on those remaining amendments when we come in, in the morning.

So there will be no further votes this evening, with the first votes to begin tomorrow morning at 9:45. We really need the Senators' cooperation so we can complete this legislation. I thank the Senator from South Dakota for his assistance in this effort.

Mr. DASCHLE. Mr. President, if I could just encourage our colleagues on this side of the aisle. We have a number of amendments that may not require rollcalls, but there are two or three that will. I would like very much to be able to work out time agreements tonight on those, so we can announce them tomorrow.

There is a desire on the part of both sides, I think, to try to finish at the target time of about noon tomorrow. So we have to work very carefully on these remaining amendments and get time agreements that will accommodate that schedule. So if you have a rollcall, let's try to work out the time agreement tonight before we leave.

Mr. WARNER. Mr. President, further reserving the right to object——

Mr. LOTT. I don't think the request was made. I yield to the Senator from Virginia.

Mr. WARNER. I ask the leadership to address the following. On the amendment relating to Bosnia by the distinguished Senator from Wisconsin, I would like to reserve the right to have the second-degree amendment.

Mr. LOTT. Certainly; we did not prohibit that. You would have that right. I would like to ask our colleagues on both sides of the aisle to be very cautious about amendments we do at this time with regard to Bosnia. Our troops are there on the ground. I had the occasion, with a bipartisan delegation, to be there last week. We have some very sensitive circumstances that have evolved there just in the last 24 hours. I don't even know what the amendments are, but I hope we will use the maximum amount of discretion in what we do in this area right now. Please be very careful what you do on Bosnia on this bill. I realize there may be some merits to them. I know the Senators will be very careful, and I urge them to do so.

Mr. SARBANES. Will the majority leader yield on that point?

Mr. LOTT. Yes, I would be happy to.

Mr. SARBANES. Mr. President, I want to support the statement of the majority leader. I don't know what is in these Bosnia amendments, but this is obviously always a difficult and sensitive issue. You know, we are locking in now procedure to try to produce this bill, which I am supportive of. I don't think we ought to put into that mix perhaps acting precipitously on a very complicated issue. I think the majority leader has made a very strong point.

Mr. LOTT. We are going to get a chance to look at the amendments. The Senator from Wisconsin, I believe, is going to talk to the managers of the bill. But without prejudicing anybody's position, I just wanted to add an admonition.

Mr. STEVENS. If the Senator will yield, did the leader say we must bring forth the amendment tonight and file it or something? Did I misunderstand?

Mr. LOTT. If you have an amendment you really would like to have considered, particularly if it may require a vote, we would really like to know about that amendment and then get an agreement on some time limit in the morning if at all possible.

Mr. STEVENS. We don't have to file them tonight?

Mr. LOTT. I assume you would have already filed it probably, but you don't have to. We are not looking for amendments, by the way. We are discouraging them, I might say to the Senator.

Mr. STEVENS. Well, I might have a few.

Mr. LOTT. I see that you have your bright tie on tonight. Maybe tomorrow you will feel differently.

Mr. LEVIN. I wonder if it would be wise to attempt to get an agreement that amendments that will be offered will be filed tonight.

Mr. LOTT. The Senator from South Dakota and I have found that when we do that, it tends to invite amendments. We are not urging or inviting amendments.

Mr. LEVIN. For the reason stated, I withdraw my suggestion.

Mr. LOTT. I yield the floor so we can begin the vote.

AMENDMENT NO. 636

The PRESIDING OFFICER. Under the previous order, there are now 2 minutes equally divided on the Boxer amendment.

The Senator from California.

Mrs. BOXER. Mr. President, I would like to divide my time with the Senator from Iowa, Senator GRASSLEY.

My colleagues, last year corporate executives got paid millions of dollars each from taxpayers. One got $4 million, according to a scandalous GAO report—all this, while we thought we had a cap in place. It didn't work, and the

Boxer-Grassley bill fixes it. That is why we have strong support from people who want to see reform. I yield to my colleague and hope he will support us.

Mr. GRASSLEY. Mr. President, the issue here is whether or not we are going to stand by and let the Pentagon thumb its nose at the U.S. Senate. We have had salary caps for the last 3 years. The Defense Department has found a way, by $33 million, just with McDonnell Douglas getting over that salary cap. We need an effective salary cap. We haven't had one. This will guarantee an effective salary cap so that the Pentagon will have to execute the laws the way Congress intended.

The PRESIDING OFFICER. The time of the proponents of the amendment has expired.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, Senator LIEBERMAN, who is on the subcommittee, looked at this issue and asked the administration last year to come up with a proposal. They came up with a cap of $4 million. We didn't think that was particularly salable on the floor of the U.S. Senate. So we came up with a different calculation that put the cap at $340,000. That is the median salary of the executives of companies that have sales of over $50 million.

What this amendment does is lower that cap to $200,000, and in so doing it applies to not just executives but scientists—people who are in demand, who are going to be taken away from high-technology firms and national defense and are going to other places where they can make a lot more money because they are going to be capped under this amendment.

This is a bad amendment. It is going to hurt national security. It also hurts small businesses, because those are the businesses that are primarily defense businesses that are not going to have the opportunity to compensate their employees from other sources like commercial entities.

I encourage a strong no vote on this.

I yield the remaining time to the Senator from Connecticut.

The PRESIDING OFFICER. All time has expired.

Mr. LIEBERMAN. I agree with the Senator.

Mr. THURMOND. Mr. President, I move to table the Boxer amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina to lay on the table the amendment of the Senator from California. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The result was announced—yeas 83, nays 16, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—83

Abraham	Enzi	Lugar
Allard	Faircloth	Mack
Ashcroft	Feinstein	McCain
Baucus	Ford	McConnell
Bennett	Frist	Moynihan
Bingaman	Glenn	Murkowski
Bond	Gorton	Murray
Breaux	Graham	Nickles
Brownback	Gramm	Reid
Bryan	Grams	Robb
Bumpers	Gregg	Roberts
Burns	Hagel	Rockefeller
Byrd	Hatch	Roth
Campbell	Helms	Santorum
Chafee	Hollings	Sarbanes
Cleland	Hutchinson	Sessions
Coats	Inhofe	Shelby
Cochran	Inouye	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Levin	Torricelli
Domenici	Lieberman	Warner
Dorgan	Lott	

NAYS—16

Akaka	Harkin	Moseley-Braun
Biden	Hutchison	Reed
Boxer	Jeffords	Wellstone
Durbin	Johnson	Wyden
Feingold	Kennedy	
Grassley	Leahy	

NOT VOTING—1

Mikulski

The motion to lay on the table the amendment (No. 636) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay it on the table.

The motion to lay on the table was agreed to.

CHANGE OF VOTE

Mr. COVERDELL. Mr. President, on the last vote, rollcall vote No. 170, I ask unanimous consent to change my vote. I voted ''no'' and meant to vote ''aye.'' This will in no way change the outcome of the vote. I mistakenly thought it was an up or down instead of tabling.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. LOTT. Mr. President, what is the pending business now?

The PRESIDING OFFICER. The Bingaman amendment numbered 799.

Mr. LOTT. Mr. President, I wish to speak on that amendment, but I will withhold while Senator KYL asks for a unanimous consent request.

Mr. KYL. I appreciate that.

AMENDMENT NO. 605, AS MODIFIED AND AMENDMENT NO. 607, AS MODIFIED FURTHER

Mr. KYL. Mr. President, I ask unanimous consent to withdraw amendments numbered 605 and 607 and substitute for them versions of amendments 605 and 607 which have been cleared by both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendments are so modified.

The amendment (No. 605), as modified, is as follows:

On page 347, between lines 15 and 16, insert the following:

SEC. 1075. ADVICE TO THE PRESIDENT AND CONGRESS REGARDING THE SAFETY, SECURITY, AND RELIABILITY OF UNITED STATES NUCLEAR WEAPONS STOCKPILE.

(a) FINDINGS.—Congress makes the following findings:

(1) Nuclear weapons are the most destructive weapons on earth. The United States and its allies continue to rely on nuclear weapons to deter potential adversaries from using weapons of mass destruction. The safety and reliability of the nuclear stockpile are essential to ensure its credibility as a deterrent.

(2) On September 24, 1996, President Clinton signed the Comprehensive Test Ban Treaty.

(3) Effective as of September 30, 1996, the United States is prohibited by section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377; 42 U.S.C. 2121 note) from conducting underground nuclear tests ''unless a foreign state conducts a nuclear test after this date, at which time the prohibition on United States nuclear testing is lifted''.

(4) Section 1436(b) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 42 U.S.C. 2121 note) requires the Secretary of Energy to ''establish and support a program to assure that the United States is in a position to maintain the reliability, safety, and continued deterrent effect of its stockpile of existing nuclear weapons designs in the event that a low-threshold or comprehensive test ban on nuclear explosive testing is negotiated and ratified.''.

(5) Section 3138(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 42 U.S.C. 2121 note) requires the President to submit an annual report to Congress which sets forth ''any concerns with respect to the safety, security, effectiveness, or reliability of existing United States nuclear weapons raised by the Stockpile Stewardship Program of the Department of Energy''.

(6) President Clinton declared in July 1993 that ''to assure that our nuclear deterrent remains unquestioned under a test ban, we will explore other means of maintaining our confidence in the safety, reliability, and the performance of our weapons''. This decision was codified in a Presidential Directive.

(7) Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 also requires that the Secretary of Energy establish a ''stewardship program to ensure the preservation of the core intellectual and technical competencies of the United States in nuclear weapons''.

(8) The plan of the Department of Energy to maintain the safety and reliability of the United States nuclear stockpile is known as the Stockpile Stewardship and Management Program. The ability of the United States to maintain warheads without testing will require development of new and sophisticated diagnostic technologies, methods, and procedures. Current diagnostic technologies and laboratory testing techniques are insufficient to certify the future safety and reliability of the United States nuclear stockpile. In the past these laboratory and diagnostic tools were used in conjunction with nuclear testing.

(9) On August 11, 1995, President Clinton directed ''the establishment of a new annual reporting and certification requirement [to] ensure that our nuclear weapons remain safe and reliable under a comprehensive test ban''.

(10) On the same day, the President noted that the Secretary of Defense and the Secretary of Energy have the responsibility, after being ''advised by the Nuclear Weapons Council, the Directors of DOE's nuclear weapons laboratories, and the Commander of United States Strategic Command'', to provide the President with the information to make the certification referred to in paragraph (9).

(11) The Joint Nuclear Weapons Council established by section 179 of title 10, United States Code, is responsible for providing advice to the Secretary of Energy and Secretary of Defense regarding nuclear weapons issues, including ''considering safety, security, and control issues for existing weapons''. The Council plays a critical role in advising Congress in matters relating to nuclear weapons.

(12) It is essential that the President receive well-informed, objective, and honest opinions from his advisors and technical experts regarding the safety, security, and reliability of the nuclear weapons stockpile.

(b) POLICY.—

(1) IN GENERAL.—It is the policy of the United States—

(A) to maintain a safe, secure, and reliable nuclear weapons stockpile; and

(B) as long as other nations covet or control nuclear weapons or other weapons of mass destruction, to retain a credible nuclear deterrent.

(2) NUCLEAR WEAPONS STOCKPILE.—It is in the security interest of the United States to sustain the United States nuclear weapons stockpile through programs relating to stockpile stewardship, subcritical experiments, maintenance of the weapons laboratories, and protection of the infrastructure of the weapons complex.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the United States should retain a triad of strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against our vital interests;

(B) the United States should continue to maintain nuclear forces of sufficient size and capability to hold at risk a broad range of assets valued by such political and military leaders; and

(C) the advice of the persons required to provide the President and Congress with assurances of the safety, security and reliability of the nuclear weapons force should be scientifically based, without regard for politics, and of the highest quality and integrity.

(c) ADVICE AND OPINIONS REGARDING NUCLEAR WEAPONS STOCKPILE.—Any director of a nuclear weapons laboratory or member of the Joint Nuclear Weapons Council, or the Commander of United States Strategic Command, may submit to the President or Congress advice or opinion in disagreement with, or in addition to, the advice presented by the Secretary of Energy or Secretary of Defense to the President, the National Security Council, or Congress, as the case may be, regarding the safety, security, and reliability of the nuclear weapons stockpile.

(d) EXPRESSION OF INDIVIDUAL VIEWS.—A representative of the President may not take any action against, or otherwise constrain, a director of a nuclear weapons laboratory, a member of the Joint Nuclear Weapons Council, or the Commander of United States Strategic Command for presenting individual views to the President, the National Security Council, or Congress regarding the safety, security, and reliability of the nuclear weapons stockpile.

(e) DEFINITIONS.—

(1) REPRESENTATIVE OF THE PRESIDENT.—The term ''representative of the President'' means the following:

(A) Any official of the Department of Defense, the Department of Energy, or the Office of Management and Budget who is appointed by the President.

(B) Any member of the National Security Council.

(C) Any member of the Joint Chiefs of Staff.

(2) NUCLEAR WEAPONS LABORATORY.—The term ''nuclear weapons laboratory'' means any of the following:

(A) Los Alamos National Laboratory.

(B) Livermore National Laboratory.

(C) Sandia National Laboratories.

The amendment (No. 607), as modified further, is as follows:

At the end of subtitle E of title X, add the following:

SEC. 1075. LIMITATION ON USE OF COOPERATIVE THREAT REDUCTION FUNDS FOR DESTRUCTION OF CHEMICAL WEAPONS.

(a) LIMITATION.—No funds authorized to be appropriated under this or any other Act for fiscal year 1998 for Cooperative Threat Reduction programs may be obligated or expended for chemical weapons destruction activities, including for the planning, design, or construction of a chemical weapons destruction facility or for the dismantlement of an existing chemical weapons production facility, until the President submits to Congress a written certification under subsection (b).

(b) PRESIDENTIAL CERTIFICATION.—A certification under this subsection is either of the following certifications:

(1) A certification that—

(A) Russia is making reasonable progress toward the implementation of the Bilateral Destruction Agreement;

(B) the United States and Russia have made substantial progress toward the resolution, to the satisfaction of the United States, of outstanding compliance issues under the Wyoming Memorandum of Understanding and the Bilateral Destruction Agreement; and

(C) Russia has fully and accurately declared all information regarding its unitary and binary chemical weapons, chemical weapons facilities, and other facilities associated with chemical weapons.

(2) A certification that the national security interests of the United States could be undermined by a United States policy not to carry out chemical weapons destruction activities under the Cooperative Threat Reduction programs for which funds are authorized to be appropriated under this or any other Act for fiscal year 1998.

(c) DEFINITIONS.—In this section:

(1) The term ''Bilateral Destruction Agreement'' means the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Nonproduction of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons, signed on June 1, 1990.

(2) The term ''Chemical Weapons Convention'' means the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

(3) The term ''Cooperative Threat Reduction program'' means a program specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201: 110 Stat. 2731; 50 U.S.C. 2362 note).

(4) The term ''Wyoming Memorandum of Understanding'' means the Memorandum of Understanding Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

AMENDMENT NO. 799

Mr. LOTT. If I could be recognized to speak on this amendment.

Does the Senator from New Mexico wish to modify his amendment? I would like to make sure I am speaking on the amendment that is before the body before I speak on this amendment.

Mr. BINGAMAN. Mr. President, yes, I do intend to modify the amendment, so that it strikes $118 million that was added by the committee for the space-based laser, and I will delete the portion of the earlier amendment that I offered which allocated those funds to the Air Force and the Navy flying hours.

Mr. LOTT. If I could ask the Senator to respond to this question: Would that knock out the entire funding for the space-based laser?

Mr. BINGAMAN. Mr. President, that does not. It leaves the funding at the level the administration requested, which is $29 million, but it would delete the initial $118 million that was added by the committee.

Mr. LOTT. So in the bill now there is about $145 million?

Mr. BINGAMAN. Mr. President, $148 million in the bill at the present time, and this gets it back to the administration requested level of $49.

Mr. LOTT. Mr. President, just so the Members will understand fully what the Senator from New Mexico is doing, his amendment, as I understand it, would knock out $118 million, leaving only $28.8 million to be available for the space-based laser program.

I rise to offer my support for this space-based laser and to oppose the amendment to strike funding of this important program. Clearly, one of the most serious threats facing us today is that of ballistic missiles. As rogue nations or terrorist organizations have the ability to develop more sophisticated means to deploy weapons of mass destruction, it is incumbent upon us, then, to develop the wherewithal to render those threats ineffective. Increasing funding for other programs, as the Senator originally intended, by taking it out of the space-based laser would have been a mistake, and I think to have this kind of cutback down to only $28 million reduces our ability to really develop the sophistication and the degree of the development of the program that we have the capability to reach.

It is time that we actually do something on this now. We have talked about it, we have had funding, we have had progress made, there has been real development capability reached, yet we continue to sort of shove it off and say, ''Someday. Right now this threat is not serious enough.'' I maintain it is very serious.

We currently have no effective defense to counter the ballistic missile threat, particularly in the early launch phases when defensive measures are the most effective. I think the American people would be alarmed if they had an opportunity to stop and think about this, the fact that we have not developed this effective defense to this threat.

Space-based laser offers potentially one of the most effective solutions to this threat, utilizing relatively mature technologies for boost phase missile defense because we have been working on this, because we have expended funds in this area. So not only does this capability provide an effective protective blanket, but it also serves as a strong deterrent against the launch in the first place, as the boost phase interceptor ensures a destroyed missile falls within the short range of the launch site. So that is a very important factor. It would be a deterrent to launching in the first place, if you knew it might, as a matter of fact, land generally in the area or in the country that fired such a missile.

This inherent capability offers the initial and most effective defense against ballistic missiles. Coupled with terminal and midcourse defenses that we are now procuring, it provides an architecture that is robust to a wide variety of threats.

Moreover, the program is achievable, it is achievable, within current technical and political constraints. The program received a very positive endorsement from the Ballistic Missile Defense Office Independent Review Team which has assessed the program as low risk and capable of achieving a 2005 launch goal, yet it is fully compliant with the ABM Treaty. It in no way commits to us an operational system, but it is absolutely essential to the research and development efforts that preserve our option for such a program in the future.

Space-based laser is clearly the future national missile defense system of choice. It affords us the opportunity to protect the Nation, our military forces and our allies against the ever-growing threat for ballistic missile-deployed weapons of mass destruction. In fact, I think it is the greatest threat that we face today in the world. We cannot ignore it. We should not delay taking actions any further.

The early boost phase negation potential that spaced-based lasers can provide is essential. It is a critical component of our future national defense. We must ensure that the space-based option is carried forward with vigor and a sense of priority. If we cut it down to only $28 million, or something short of $29 million, we are not going to be able to go forward with this mature program in a vigorous way in one that gives it priority.

By the way, the people we have running this program now are very good and they are doing a good job. They have gotten the Secretary of Defense's attention to this program. So as this technology matures, I think it is clear that we now are at the point where we should build a demonstrator and show that, in fact, it will work.

I thank the Senator from New Hampshire for the work he has done on this, both in the committee and on the floor. Senator SMITH is prepared to debate this issue further. Without his efforts, without his attention, this program would not be where it is today and we would not be able to go forward with it in the way we need to now.

I strongly urge my colleagues to oppose the amendment to cut the bulk of the funding for the space laser program.

Mr. President, I thank the chairman again for his support in this area. This is something we clearly should be doing. I hope the amendment will be defeated.

I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Dr. Robert Simon, who is detailed to my staff from the Department of Energy, be permitted privileges of the floor for the duration of the debate and during any votes occurring on that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 799, AS MODIFIED

Mr. BINGAMAN. Mr. President, I send a modified version of the amendment to the desk and ask that it be so modified.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 799), as modified, is as follows:

At the end of subtitle A of title X, add the following:

SEC. 1009. DECREASED AMOUNTS FOR SPACE BASED LASER PROGRAM.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated under section 201(4) for the space based laser program shall be reduced by $118,000,000, and not more than $28,800,000 shall be available for the space based laser program.

AMENDMENT NO. 647

(Purpose: (Relating to the participation of the national security activities of the Department of Energy in the Hispanic Outreach Initiative of the Department)

Mr. BINGAMAN. Mr. President, I ask unanimous consent it be in order for me to offer an amendment numbered 647. I think it has been cleared on both sides. I will describe it once the clerk has reported the amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 647.

Mr. BINGAMAN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 458, between lines 3 and 4, insert the following:

SEC. 3159. PARTICIPATION OF NATIONAL SECURITY ACTIVITIES IN HISPANIC OUTREACH INITIATIVE OF THE DEPARTMENT OF ENERGY.

The Secretary of Energy shall take appropriate actions, including the allocation of funds, to ensure the participation of the national security activities of the Department of Energy in the Hispanic Outreach Initiative of the Department of Energy.

Mr. BINGAMAN. Mr. President, this amendment authorizes the Secretary of Energy to ensure full participation of the Department of Energy in the very successful Hispanic Outreach Program that that department has had.

In September 1995, the Secretary of Energy announced a strategic plan to address the needs, talents and capabilities of the nation's Hispanic community.

This strategic plan calls for the Department to take effective steps to further the participation of DOE in educational programs, particularly in the fields of science and technology that serve Hispanic students.

In fiscal year 1996 the DOE set a goal of $20 million for funding Hispanic Service Educational Institutions and Initiatives. This level of investment provides significant dividends to the Hispanic community as well as to the Department of Energy.

Other programs are included within the Hispanic Outreach Initiative to encourage improved investment, training, and placement for Hispanic population in business using the internet and the Hispanic Radio Network.

As a result of such initiatives, Hispanic employment at the Department of Energy has increased at all grade levels during the past four years.

The amendment I am offering today directs the Secretary of Energy to ensure that all components of the Department participate fully in this initiative in order to achieve the widest possible impact.

I urge my colleagues to vote in favor of this amendment as an effective means to benefit the taxpayer and improve opportunities for the Hispanic community.

I believe we can take action on the amendment at this point. I know of no Senator that wishes to speak in opposition.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 647) was agreed to.

Mr. DURBIN. Mr. President, I ask we lay aside the pending business and consider amendment 657.

Mr. SMITH of New Hampshire. I object. I wish to speak on the amendment that is before the Senate.

The PRESIDING OFFICER. Objection is heard.

Mr. SMITH of New Hampshire. Reserving the right to object, if the Senator wishes to speak for a couple of minutes on another matter, I ask unanimous consent that the Senator's time does not come out of the time allocated for this amendment.

The PRESIDING OFFICER. It would not.

Mr. SMITH of New Hampshire. I have no objection.

AMENDMENT NO. 657

(Purpose: To provide for increased burdensharing by United States allies)

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN] proposes an amendment numbered 657.

Mr. DURBIN. I ask unanimous consent that the reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle E of title X, add the following:

SEC. 1075. DEFENSE BURDENSHARING.

(a) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) For any nation in which United States military personnel are assigned to permanent duty ashore, increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving by September 30, 2000, 75 percent of such costs. An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1998.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1998.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide.

(b) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (a) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures to the extent otherwise authorized by law:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation fees or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation, consistent with the terms of such agreement.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(c) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (a);

(2) all measures taken by the President, including those authorized in subsection (b), to achieve the actions described in subsection (a);

(3) the difference between the amount allocated by other nations for each of the actions described in subsection (a) during the period beginning on March 1, 1996, and ending on February 28, 1997, and during the period beginning on March 1, 1997, and ending on February 28, 1998; and

(4) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(d) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1998, in classified and unclassified form.

Mr. DURBIN. Mr. President, this amendment has been reviewed by both sides. Senator THURMOND, as chairman of the committee, and Senator LEVIN, as the ranking minority member, have accepted this amendment. It relates to the issue of burdensharing. It is an amendment which would not withdraw any troops, but would ask that our allies assume greater responsibility in helping to defray the expenses of the American troops which have been positioned overseas.

The amendment, I think, accurately reflects the postcold-war environment and the budget challenges which we face.

I yield back the balance of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 657) was agreed to.

Mr. DURBIN. I move to reconsider the vote.

Mr. LEVIN. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 799, AS MODIFIED

Mr. SMITH of New Hampshire. Mr. President how much time remains on our side on this amendment?

The PRESIDING OFFICER. Nine minutes and 30 seconds.

Mr. SMITH of New Hampshire. Mr. President, I rise to oppose the Bingaman amendment which would cut funding for the space-based laser program—not just cuts it, it devastates the program.

In its markup of the DOD authorization bill, the committee increased the funding for the program by $118 million. During the committee's markup, the Senator from New Mexico did offer an amendment to delete the increase. This was defeated in committee on a bipartisan basis. It was not a party-line vote. It is my sincere hope, Mr. President, that the Senate will follow suit as the committee did and defeat this amendment today or tomorrow when we vote.

Mr. President, let me explain why additional funds are needed for this very important program. The President's budget request included only $30 million for the space-based laser. This is insufficient funding for the program to continue making the technical progress that it has been making.

The Department of Defense is currently considering ways to increase this level of funding in the outyears, but there is a major deficit now for the Fiscal Year 1998. This program, the space-based laser, is the last remaining space-based laser missile defense left. The last one. If we allow the program to die, then we will have wasted well over $1 billion in investment, literally wasted. We will not see the fruits of that investment and we will have given up the option of deploying the most effective national and theater boost phase missile defense system known to man.

The space-based laser program has been one of the best managed programs in the history of our ballistic missile

defense efforts. It is not always the case that we can stand here and say that a program has been well managed. For over 10 years it has continued to make remarkable technical progress while remaining on schedule and within cost. How many other programs in DOD, or, indeed, in the U.S. Government, can we say that about? Not too many.

Mr. President, could I have order?

The PRESIDING OFFICER. The Senate will please come to order.

The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, if we do not allow the space-based laser program to proceed, we are going to erode the Defense Department's expertise in laser technology. There are other laser programs in DOD. The SBL, the space-based laser, represents a significant proportion of DOD's corporate knowledge about lasers and all of DOD's knowledge about space-based lasers. All this knowledge, all of this technology will simply be thrown out the window if we gut this program.

This program has strong bipartisan support. It has had it for over many years. The Armed Services Committee has increased funding for this program in each of the last two fiscal years. In fiscal year 1997, for example, the committee recommended and the Congress and the President approved an increase of $70 million. DOD acknowledges that the additional funding is necessary if the program is to continue making the technical progress that it is making.

Therefore, the bill before the Senate today, the bill in its current form, the DOD bill, includes an increase of $118 million for that program. This amendment offered by the Senator from New Mexico will take that $118 billion out and basically stop the program in process.

I must say, every year, year after year, in all the 7 years that I have been on the Armed Services Committee here in the Senate, somebody comes out and tries to cut this program. Every year I am standing up here defending it, trying to make people aware of the importance of this program.

Let me explain why this specific funding level was chosen. The SBL program will complete its current development phase this year. The next logical step for a space-based laser is to develop and launch a technology readiness demonstrator. This is, in fact, the recommendation of an independent review team, the IRT, that was established by the director of the ballistic missile defense organization earlier this year to study the future of the SBL program.

The IRT recommended proceeding with a space demonstrator in fiscal year 1998 that could be launched in the year 2005. The funding increase in the pending bill is the same amount as that recommended by BMDO, Ballistic Missile Defense Office's independent review team—no more, no less. Such an SBL technology demonstrator would be compliant with the ABM Treaty. For those who are concerned about that, it is treaty compliant. And both Secretary of Defense Cohen and officials from the National Security Council have confirmed that an SBL readiness demonstrator would be treaty compliant as long as it is not an operational system prototype.

Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will please come to order. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Additionally, the Department of Defense compliance review group has previously reviewed the SBL readiness demonstrator and deemed such a program compliant with the ABM Treaty. So the Air Force and BMDO have signed a memorandum of agreement to proceed with the SBL program. The Air Force and BMDO endorsed the development of an SBL readiness demonstrator and have done the preliminary work on how to proceed with such a program, and the Air Force has said if such a program proceeds, they will establish this program management office at the Philips lab at Kirkland Air Force base in New Mexico.

The bottom line is, a readiness demonstrator is the next logical step for SBL. It doesn't commit the United States to deployment or development of an operational SBL system, but it preserves the option for that decision after the year 2005. If the Bingaman amendment were to be agreed to, this option would be precluded and we would be left with a space-based laser program lacking focus and lacking any logical direction. It is one of those situations where if we do take the focus and take the direction away, it makes all the money we have spent in the past, all the $1 billion, wasted, down the drain, when we are now on the threshold of being able to see it all come to fruition and see the space-based laser program take its proper place in the defense arsenal of the United States.

So I urge my colleagues tomorrow, when we vote, to oppose this amendment as we have done year after year after year, to oppose the amendment of the Senator from New Mexico and defeat the amendment, and allow the space-based laser program to continue.

Mr. President, I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

UNANIMOUS-CONSENT AGREEMENT

Mr. WARNER. Mr. President, I ask unanimous consent that at 9 a.m. on Friday, Senator FEINGOLD be recognized to offer an amendment, re: Air Force jets, and there be 30 minutes for debate, 20 minutes under the control of Senator FEINGOLD, 10 minutes under the control of Senator THURMOND, and no amendments be in order to the Feingold amendment. My understanding is it has been cleared on the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. At 9:30 a.m., the Senate will resume the Bingaman amendment, with 15 minutes remaining for debate and a vote occurring at 9:45 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, it is my understanding the distinguished Senator from Arizona and the distinguished Senator from Massachusetts will engage in a debate on a matter that is related to the underlying measure.

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, a number of us will be proceeding, momentarily, on an amendment with respect to Cambodia. I am just waiting for the language to arrive.

Mr. President, I understand, under parliamentary procedure, the time is controlled?

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Mr. President, how much time—

Mr. McCAIN. I believe the parliamentary situation is an amendment by Senator WARNER and Senator HUTCHISON. Could I ask for the parliamentary situation, Mr. President?

The PRESIDING OFFICER. We are on the Bingaman amendment.

Mr. WARNER. Mr. President, I think we would then lay that aside.

The PRESIDING OFFICER. There are 14 minutes for Senator BINGAMAN and 1 minute, 49 seconds in opposition.

Mr. WARNER. Mr. President, parliamentary inquiry. Under the previous unanimous consent request just propounded by the Senator from Virginia on behalf of the distinguished leader, Mr. LOTT, and the chairman, Mr. THURMOND, I would have thought that would have handled this situation. Am I incorrect?

The PRESIDING OFFICER. That does handle the situation in the morning, but we still have this time remaining tonight.

Mr. KERRY. Mr. President, is it appropriate at this point —I ask unanimous consent that we temporarily set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Parliamentary inquiry. That then preserves that amount of time left to each side tonight, is that correct?

The PRESIDING OFFICER. That is correct.

The Senator from Massachusetts.

Mr. KERRY. Mr. President, are we now open to amendment?

The PRESIDING OFFICER. Yes, we are.

Mr. KERRY. I understand there is no controlled time at this point.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 800

Mr. KERRY. Mr. President, as I mentioned, Senator HAGEL, Senator BOB KERREY, Senator CHUCK ROBB, Senator MAX CLELAND, Senator JOHN MCCAIN and myself are joining together to introduce a resolution with respect to Cambodia. At this point, I will yield the floor. Senator MCCAIN will lead off.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. The Senator from Massachusetts will shortly be introducing a amendment. That amendment very briefly, condemns what has happened in Cambodia. It calls for the United States to take action, including cutting off any assistance that is being provided to Cambodia. It calls on ASEAN nations in the region to cooperate in taking every step that is possible to restore democracy and a rule of law in Cambodia.

Mr. President, as I said, the Senator from Massachusetts will be shortly sending that sense-of-the-Senate amendment to the desk. For the sake of time, I would like to comment on it at this time because, as the Senator from Massachusetts mentioned, there are four others besides the Senator from Massachusetts and I who want to speak on this issue. I will be relatively brief.

A terrible thing has happened in a country that deserves far, far better; a country that has been put through, in the opinion of many, the worst genocide in this century; a country that had a large percentage, some estimate as high as 20 to 30 percent of its population executed by the infamous Khmer Rouge led by Pol Pot. I need not remind my colleagues that at great expense, some $3 billion, the United Nations, with the full cooperation and efforts of the United States, was able to conduct what was judged to be a free and fair election in Cambodia. The result of that election was a democratically elected government which had two co-prime ministers: Mr. Hun Sen and Prince Ranariddh, the son of Prince Norodom Sihanouk.

Mr. President, I give this background because those of us who were involved in that effort had high hopes, high hopes 4 years ago after that election, which was conducted by and supervised by many nations throughout the world. Now a terrible tragedy has again befallen Cambodia. Hun Sen, using the philosophy that unfortunately he has adhered to for some time that power is the flower that blossoms from the barrel of a gun, has begun killing people, imprisoning people, and has taken over the government of the country.

I grieve for the people of Cambodia. I grieve for those very gentle Khmer people who deserve far, far better than they are getting today.

Should the United States send the military into Cambodia? Obviously not. Should the United States advocate some military action? I don't think that's possible. But I believe that the United States of America must bring every possible pressure to bear on Cambodia to restore, as soon as possible, democracy and the rule of law. We have every right to expect our neighbors and friends in the region to lead as well as follow the United States in this effort.

Mr. President, if we allow this to happen, it is a tremendous setback for democracy and freedom, not only in that tragic little country but for the entire region. If Hun Sen is able to get away with this unpunished and if this situation goes unrectified, then I fear for other areas of the world, including Burma, including others where democracy has a very tenuous hold.

Mr. President, I am proud to join with Senator HAGEL, Senator KERREY of Nebraska, as well as Senator KERRY of Massachusetts, Senator CLELAND, and Senator ROBB, in decrying this situation and urging that all steps be taken to rectify it, because all of us have the commonality of service in Vietnam, its neighbor. I believe if there is any potency to our remarks, I hope that it is because of our collective view, on both sides of the aisle, that urges us and impels us to come forward and speak in this emotional and strong fashion.

Mr. President, yesterday I addressed the situation in Cambodia. I focused my remarks on the tragedy befallen a strife-torn country that saw the flickering light of democracy suddenly and violently extinguished. Today, I join with a number of my colleagues to introduce a resolution expressing the sense of Congress that the violence must stop, that the United States should call an emergency meeting of the United Nations Security Council to consider all options to restore the peace, to work with the Association of Southeast Asian Nations to restore the rule of law, to suspend financial assistance to the Government of Cambodia, and to urge other donor nations to do likewise.

Congress and the administration must not minimize the gravity of the situation in Cambodia. One of the century's most horrific chapters took place less than 20 years ago in a nation once known for tranquility. The end of Cambodia's holocaust did not bring peace; it brought 12 years of civil war. The culmination of an exhaustive diplomatic effort was the 1991 Paris Accord and the 1993 election that installed the coalition that governed until 2 days ago.

The coup d'etat instigated by Second Prime Minister Hun Sen has seriously set back the cause of peace and freedom in Cambodia. The deliberate and brutal campaign to locate and imprison or execute members of FUNCINPEC loyal to ousted First Prime Minister Prince Ranarridh illuminates all too well the nature of a regime dominated by Hun Sen. A forceful and feared individual, Hun Sen will respond only if the message is conveyed in the strongest terms that the international community, led, if necessary, by the United States, will accept nothing less than the cessation of violence and the initiation of serious negotiations aimed at restoring a democratic form of government.

The Cambodian people demonstrated by their overwhelming response to the 1993 elections that they truly desire to live under the rule of law. They left no doubt that they understand and appreciate democracy. They deserve better than to see an elected government removed by force and replaced by the very regime that harshly ruled for years until the 1991 peace accord. We introduce this amendment because the time to act is now. The administration must respond in the strongest terms to the coup d'etat and resulting violence. Congress as an institution must go on record as strenuously opposing the recent developments in Cambodia. We must let the world know that we stand as one in our conviction to see democracy restored in Cambodia.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I, too, rise to support the amendment that will be offered shortly by the distinguished Senator from Massachusetts [Senator KERRY]. First of all, we must, here in this Senate, be alert to the risk to lives of Americans in Phnom Penh, Cambodia. That is the first order of business of this resolution. We have lives at risk there. An Ambassador and his family's lives are at risk.

Second, though, what we are saying here is, now is not the time to quit in Cambodia.

For all the reasons cited by Senator MCCAIN of Arizona, all the reasons that he has cited about the terrible suffering that has gone on in Cambodia for the last 30 years, in addition to that, we have a toehold of democracy there. The rule of law is at stake. An agreement was signed in Paris in 1991, and an election with 90 percent of the population voting in 1993, we have a great success possible in Cambodia, and now is not the time for us to say, ''Well, it's Cambodia, it's a long ways away, it is not important.'' It is important.

America needs to go to the Security Council of the United Nations and say that we want to consider all options to make certain that the rule of law and democracy survive inside Cambodia.

We need to do the same thing with our allies in ASEAN to make certain that the rule of law and democracy survive. We need to send with this resolution a strong message to the people of Cambodia that we are not going to back out, we are not going to walk away, we are not going to give up, that we believe that democracy can survive in Cambodia, that the rule of law can be preserved in Cambodia and that the United States of America is prepared to lead the international community in ensuring that effort.

We have come a long ways in Cambodia. Only in the U.S. Congress is it possible for us to say we want to change something in the world and

then take action and have it happen. That is what happened in Cambodia with this agreement at a time in 1991 when almost nobody thought it was possible, and then the election in 1993 that even fewer thought was possible.

There is a lot at stake here for the United States of America. As we talk to China about democracy, we do not want them to say, ''Look what happened in Cambodia,'' or Vietnam similarly. We are a Nation that has been successful because we have been a defender of democracy and the rule of law, and we have to defend that principle inside the nation of Cambodia.

I am pleased to join with the distinguished Senator from Massachusetts [Senator KERRY], and others who are cosponsoring this resolution. It is a terribly important resolution, and I am hopeful and believe, in fact, that the administration will take it seriously and will act upon it. I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank my colleagues, the Senator from Arizona and the Senator from Nebraska, and I see the Senator from Georgia is here, and he will speak momentarily. And the junior Senator from Nebraska, Senator HAGEL is also here.

Mr. President, each of us invested a portion of our youth in Southeast Asia, and each of us are now investing a considerable amount of our concern as U.S. Senators of both parties with events as they continue in Southeast Asia. All of us remain convinced that this is a region that is vital to our international security interests. It is an area where we have a great deal at stake, and nowhere more so, really, than in Cambodia.

As everybody knows, as a matter of history, the United States played a critical role in the 1970's in events in Cambodia. And ever since then, the Cambodian people have been reaping the harvest of much of what has gone on in the region as a whole—the invasion by Vietnam, the influence of China and, most important, the terrible, terrible acts of the Khmer Rouge, the ''killing fields'' as we came to know them in this country.

It is ironic that at the very moment when the Khmer Rouge is at its weakest in recent years, when Pol Pot appears to be a prisoner and when the leadership has defected, when the army, as a whole, has decided to come into the system, that the system is now itself in convulsions and rejecting the process that so many people in the international community have invested so much in over the last years.

More than $2 billion has been invested in Cambodia by the international community. We have put shy of $200 million into Cambodia, but we have invested enormously in the notion that democracy can work in a region where it is important to prove that democracy can work. It is very important to all of us in the U.S. Senate and to the United Nations to guarantee that we are not now going to stand by and watch or refuse to be engaged or to take sufficient diplomatic steps to, once again, summon the energy of the world to try to help restore in this critical moment the rule of law and democracy in Cambodia.

The amendment that we offer sets forth a set of specific steps that we think should be taken by the administration and others in order to try to guarantee that we do restore peace and democracy to Cambodia.

Those steps are, first of all, that the parties should immediately cease the use of violence in Cambodia; second, that the United States should take all immediate necessary steps to ensure the safety of Americans in Cambodia; third, that the United States should call an emergency meeting of the United Nations Security Council to consider all options that are available to us in order to restore peace in Cambodia; fourth, that the United States and ASEAN together should try to take all steps necessary to restore democracy and the rule of law in Cambodia; fifth, that United States assistance to the Government of Cambodia should remain suspended until violence ends the democratically elected government is restored to power, and necessary steps have been taken to ensure that the elections scheduled for 1998 are going to be held; and finally, that the United States should take all necessary steps to encourage other donor nations to stop their assistance as part of a multinational effort.

Mr. President, I have traveled to Cambodia on a number of different occasions, together with Senator SMITH when we were doing the work of the POW–MIA Committee, and I have traveled other than on those journeys. I met at great length with Prime Minister Hun Sen, perhaps for a longer period of time and on more occasions than anyone in the Senate, and I can say to my colleagues that he is a tough and hard bargainer and, clearly, a survivor of the wars of that region. But he is an intelligent person who, ultimately, I believe, will be committed to the restoration of the fundamentals of the process that we invested in in Paris. It would be my hope and plea that Second Prime Minister Hun Sen would respect all of the investment of outside nations and all of the energies of those nations over the years in order to try to sustain the extraordinarily important effort that we have engaged in to try to provide democracy for this region.

In 1993, 90 percent of the eligible voters of Cambodia went to the polls and expressed their wish to have an elected government, and that elected government has now been rejected by violence in the last few days. There is no other word to use but to use the word ''coup.'' I know our Government has hesitated to do that, but for the last 3 days, that is what has existed. Certainly, one would hope that will not be what remains there, and there is time yet to prove to the world that this was not a successful coup if the international community undertakes an emergency momentary effort to restore order and the long-term capacity of the Cambodian People's Party and FUNCINPEC to cooperate with each other as well as with incipient new parties that want to express their political views in a democratic Cambodia.

But what is clear, Mr. President, is that absent massive, urgent diplomatic energy expended by the United States and by those countries that have already invested so much, this moment could slip by, and the great tragedy would be that as the Khmer Rouge have come out of the jungle, as Cambodia has been accepted into ASEAN, as we have suddenly extended most-favored-nation status, as it has moved into this new economic acceptance and new era of possibilities, it will have reverted, by some inexorable and unexplainable force, to the very violence that characterized it for so long.

That doesn't have to happen, and this amendment is an effort to guarantee that it will not happen. So my hope is that the thrust of this effort will be heard, not just in Cambodia, but in the United Nations and in our own State Department and among those nations that have already committed so much energy. We cannot and we must not allow these events to go unattended. It is my hope this expression of our views will act as a catalyst to prevent that from happening.

I understand that my colleagues also would like to speak.

Mr. President, I send the amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. MCCAIN, Mr. KERREY, Mr. ROBB, Mr. HAGEL, Mr. CLELAND and Mr. BIDEN, proposes an amendment numbered 800.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC.

(a) FINDINGS.—The Congress finds that:

(1) during the 1970s and 1980s Cambodia was wracked by political conflict, war and violence, including genocide perpetrated by the Khmer Rouge from 1975 to 1979;

(2) the 1991 Paris Agreements on a Comprehensive Political Settlement of the Cambodia Conflict set the stage for a process of political accommodation and national reconciliation among Cambodia's warring parties;

(3) the international community engaged in a massive, more than $2 billion effort to ensure peace, democracy and prosperity in Cambodia following the Paris Accords;

(4) the Cambodian people clearly demonstrated their support for democracy when 90 percent of eligible Cambodian voters participated in UN-sponsored elections in 1993;

(5) since the 1993 elections, Cambodia has made economic progress, as evidenced by the decision last month of the Association of Southeast Asian Nations to extend membership to Cambodia;

(6) tensions within the ruling Cambodian coalition have erupted into violence in recent months as both parties solicit support from former Khmer Rouge elements, which had been increasingly marginalized in Cambodian politics;

(7) in March, 19 Cambodians were killed and more than 100 were wounded in a grenade attack on political demonstrators supportive of the Funcinpec and the Khmer Nation Party;

(8) during June fighting erupted in Phnom Penh between forces loyal to First Prime Minister Prince Ranariddh and second Prime Minister Hun Sen;

(9) on July 5, Second Prime Minister Hun Sen deposed the First Prime Minister in a violent coup d'etat;

(10) forces loyal to Hun Sen have executed former Interior Minister Ho Sok, and targeted other political opponents loyal to Prince Ranariddh;

(11) democracy and stability in Cambodia are threatened by the continued use of violence to resolve political tensions;

(12) the Administration has suspended assistance for one month in response to the deteriorating situation in Cambodia;

(13) the Association of Southeast Asian Nations has decided to delay indefinitely Cambodian membership.

(b) Sense of Congress—It is the sense of Congress that:

(1) the parties should immediately cease the use of violence in Cambodia;

(2) the United States should take all necessary steps to ensure the safety of American citizens in Cambodia;

(3) the United States should call an emergency meeting of the United Nations Security Council to consider all options to restore peace in Cambodia;

(4) the United States and ASEAN should work together to take immediate steps to restore democracy and the rule of law in Cambodia;

(5) U.S. assistance to the government of Cambodia should remain suspended until violence ends, the democratically elected government is restored to power, and the necessary steps have been taken to ensure that the elections scheduled for 1998 take place;

(6) the United States should take all necessary steps to encourage other donor nations to suspend assistance as part of a multinational effort

Mr. CLELAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CLELAND. Mr. President, I support the amendment offered by the distinguished Senator from Massachusetts. The United States is the leader of the free world. As the world's foremost democracy, it is our duty to take the lead in support of democratic efforts around the world. This amendment expresses the sense of the Senate that the United States should work with the U.N. Security Council and the ASEAN nations in an effort to return Cambodia to the path towards democracy that it was on.

The First Prime Minister of Cambodia, Prince Norodom Ranariddh, has asked the U.N. Security Council for help. Cambodian Co-Premier Hun Sen seized power on Saturday. In light of the terrible tragedies the Cambodian people have seen over the past several decades, it would be a complete shame to allow outstanding progress toward democracy to be destroyed in one weekend of violence.

It is very important to restore the constitutional government to Cambodia. Cambodia is scheduled to have elections in May of 1998. It is fear of the democratic process which I believe has led to this coup. Opponents of the coup have already been killed. We cannot allow democracy to fail to take root in this nation. The United States must take the lead in this matter.

I urge, in the strongest terms, the Senate adopt this amendment. I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I am pleased to join the other five Senators who are the original cosponsors of this particular amendment/sense-of-the-Senate resolution. I join in the gravity that they have already expressed and underlined about the situation that exists now in Cambodia. All of us have spent time in the region. Many of us have spent time in Cambodia dealing with the principal figures that are involved in this particular incident. I myself have visited Phnom Penh on a number of occasions. I have met in Cambodia with First Prime Minister Ranariddh, as well as Co- or Second Prime Minister Hun Sen on a number of occasions there and on at least one occasion here. I am familiar with the difficulties. I watched the process evolve. I observed the time period when the United Nations forces were there helping to try to restore a semblance of stability and to try to develop some respect for the rule of law. We saw elections. Ninety percent of the people in Cambodia voted in those elections. We know the difficulties that existed from the very outset.

As my colleagues who fought in Vietnam have already suggested, we have a clash of leadership. Co-Premier Hun Sen is a strong and forceful leader. All of us who have met with him understand that. This, in effect, internationally is an appeal for him to understand that the United States cannot abide the conduct that he has been associated with or that has been carried out in his name in the last few days. We cannot stand by and allow additional genocide, additional violence, which is beyond the rule of law, to be condoned.

I happened to be the sponsor of a resolution several years ago that provided for the collection of information that would be essential to any international tribunal that may deal with the atrocities that were committed by the Khmer Rouge in that terrible period under the leadership of Pol Pot and others who were involved in that particular period of genocide in Cambodia. Much progress has been made on that front.

Much progress was being made in terms of understanding in Cambodia for the rule of law and some essential elements of peace. All of this represents a setback. It is essential, as this resolution suggests, that the United States exercise its leadership, working with ASEAN, getting ASEAN to get involved as it is at least demonstrating some initial signs of doing even though it is not a military organization, and the international community to speak with one voice and say to those who would purport to represent the violent approach to taking and seizing power that is not obtained through the ballot, that the international community will not support you.

That is what this resolution that the six of us who fought in Vietnam are saying to our Government, please take a leadership role in mobilizing the international community to send a very strong message to Hun Sen and those who follow his lead and send a message to the rest of the international community to fall behind the progress that has already been made in Cambodia and not to step back with the actions that have been taken in the last few days.

We want to tell Hun Sen and others who might follow that lead that not only we cannot support that, we are going to be actively opposing that and hope that the rule of law and some degree of political pluralism and respect for the principles of peace and democracy could be restored.

With that, Mr. President, recognizing the presence on the floor of my colleague from Nebraska, the junior Senator, Senator HAGEL, and in joining with Senator MCCAIN from Arizona, Senator KERRY from Massachusetts, Senator KERREY from Nebraska, and Senator CLELAND from Georgia, I am pleased to support this particular amendment in the form of a sense-of-the-Senate resolution. I ask all of our colleagues to do likewise.

With that, Mr. President, I yield the floor.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERRY. Mr. President. Could I just ask my colleague's indulgence for one moment?

Mr. HAGEL. Yes.

Mr. KERRY. I ask unanimous consent that Senator HELMS be added as a cosponsor. I believe you have Senator BIDEN on there as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. HAGEL. Mr. President, I rise this evening to support and cosponsor the amendment that has been brought to the floor by my distinguished friend and colleague from Massachusetts, representing the six Vietnam veterans serving in the U.S. Senate with our view of what has happened in Cambodia as well as now the distinguished Senator from North Carolina, the chairman of the Senate Foreign Relations

Committee. And I hope that all of our colleagues join in supporting this resolution.

I echo, Mr. President, and very much support what my colleagues have said tonight about the tragedy that has befallen Cambodia. I would only add, Mr. President, that at a time in our world when we are reaching out to secure more freedom for peoples around the world, secure more stability, that we have talked about and will debate in detail NATO expansion, and we are currently involved in Bosnia, we must not forget the other corners of the globe. Certainly what we as a free country, the leader of the free world, have invested in Cambodia, in that part of the world, is very important.

This is a serious matter, Mr. President. It is serious not just for Cambodia, but it is serious for that part of the world because instability in that part of the world leads to great tragedy. We know that firsthand, some of us in this body. It is very important. It is essential that the leadership of this Nation be brought foursquare. We enlist the ASEAN nations and other nations to support our efforts to be able to lead Cambodia back to a time when there is the rule of law and there is security and there is stability.

Hopefully, this resolution presented tonight will be a good beginning. I add as well, Mr. President, the administration has taken action today. The ASEAN nations have taken action. But we need more.

I only add this as a summary statement to what we are doing this evening. It is critical, as we enter this new century, that all that has been invested in southeast Asia in blood and treasure, not just Americans, but our friends from Australia, South Korea, all over that area, to make sure that we do not slip back into a morass of tyranny and lose progress that we have so diligently fought for over the years.

Mr. President, I very much hope that all of our colleagues will strongly support this resolution.

I yield the floor.

Mr. FEINGOLD. Mr. President, I rise today to condemn the coup that occurred in Cambodia this past Sunday.

I want to put special emphasis on the word ''coup'' because the United States State Department has been reluctant to use this term to describe the events in Phnom Penh. The facts, however, leave no doubt.

On Sunday, troops loyal to Hun Sen, Cambodia's second prime minister, attacked the forces of Prince Norodom Ranariddh, Cambodia's first prime minister and leader of the royalist party known as FUNCINPEC. According to news reports, Hun Sen's army is currently rounding up political opponents. Already, at least one senior royalist official has been executed. As an added insult to the Cambodian people, Hun Sen's forces have been looting shops in the capital.

I am sure my colleagues will agree that Hun Sen's use of military force to oust his rivals and take sole control of Cambodia's government is, by definition, a coup d'etat.

Hun Sen is a man who has always preferred the gun over the ballot. In 1993, his party was defeated by the royalists in the United Nations-sponsored elections. Nearly 90 percent of eligible voters participated in that historic event. Even though he lost the election, Hun Sen threatened to restart Cambodia's civil war unless he was named as a second prime minister alongside Prince Ranariddh. In an effort to avoid further bloodshed, the U.N. agreed to let the two factions govern together.

After uneasily sharing power for 4 years, this clumsy coalition finally began to unravel this year. On March 30, 20 people were murdered in Phnom Penh when gunmen fired grenades into a peaceful opposition rally. Investigations have linked Hun Sen's troops to this cowardly attack. The political violence in Cambodia has only grown worse in the weeks since that tragic event.

The only good news to emerge from Cambodia in recent weeks was the capture of Pol Pot, the genocidal leader of the Khmer Rouge. The ruler of Cambodia between 1975 and 1979, Pol Pot is responsible for the deaths of as many as one million people. This notorious war criminal was taken prisoner by Khmer Rouge defectors who indicated a willingess to turn him over to the government. Hun Sen's takeover, however, may jeopardize efforts to have Pol Pot brought to Phnom Pehn and eventually extradited to an international tribunal.

Mr. President, I ask unanimous consent that an editorial from the July 9 edition of the Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CALLING A COUP A COUP

To many Americans, the latest combat in Cambodia's capital may seem like inexplicable infighting among equally tainted political factions. It's not. It's basically a coup d'etat.

Cambodia's tragic history leads some diplomats and others to consider hopeless the cause of democracy there. Certainly the Southeast Asian nation has had more than its share of seemingly mortal blows—above all the unspeakable Khmer Rough genocide. And none of Cambodia's factions is untainted by the bloody past. Yet few observers considered democracy hopeless in 1993, when an astonishing 89 percent of voters went to the polls despite threats of violence and actual attacks. A United Nations-led transition was hailed as a model for democracy-building.

Almost from the start, though, those courageous voters did not get the international support they needed. Hun Sen, the Vietnamese-installed ruler from 1979 to 1993, and his People's Party unexpectedly lost the election, despite a campaign of intimidation against other parties. Yet, again through coercion and threat of force, he was permitted to muscle into the government as co-prime minister, essentially negating the election results.

Since then, the United States and its allies have given Cambodia substantial amounts of aid. But they have not conditioned it on further democratization, such as the establishment of independent courts, election commission and other institutions. There was little protest when Hun Sen's party began forcing independent voices out of the government, refusing to register new political parties and otherwise moving to reimpose one-party ruler.

This weekend military forces loyal to Hun Sen attacked and, at least in the capital, defeated forces loyal to the other co-prime minister. Prince Norodom Ranariddh, who has fled to Paris. Now Hun Sen's troops are said to be rounding up political enemies; at lease one senior offical from the losing side is reported to have been executed. In the countryside, a civil war may be resuming.

Yesterday U.S. officials properly condemned Hun Sen's use of force, while still declining to label it a coup—becasue then the law would require a cutoff of aid. The international community needs to do more. Before all hope is lost of getting Cambodia democratization back on tract, the United States as well as Cambodia's neighbor in ASEAN should make clear that they will not recognize a government installed by coup d'etat, that they will not keep giving aid to an illegitimate regime and that they won't accept any phony elections organized in an effort to pretty up the coup. Anything less is a disservice to these 89 percent.

Mr. FEINGOLD. Mr. President, the editorial, ''Calling a Coup a Coup,'' argues that the United States and the international community should condemn Hun Sen's actions as a coup and halt aid to his government.

Mr. President, I agree. I believe the administration should officially recognize Hun Sen's actions as a coup. This is the right policy. While nobody wants to increase the suffering of the Cambodian people, the United States cannot legitimize Hun Sen's actions by maintaining the current flow of aid and development assistance.

As we all know, the United Nations spent over $2 billion in 1993 to bring peace and democracy to Cambodia. We made a large investment, but an important one. Now, even though this long-suffering nation appears to be slipping back into a civil war, we should not conclude that the efforts of the United States and the international community have been in vain. In 1993, Cambodia's citizens overwhelmingly rejected tyranny, and they will do so again.

U.S. support for democracy, though, will seem shallow if we do not take action against the use of violence. Like the military dictators of Burma, the Hun Sen regime too should be subject to the toughest sanctions. The United States must do all it can to insure that Hun Sen does not become the next Cambodian dictator.

Mr. KERRY. Mr. President, I do not believe there is any further debate on the amendment.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I commend Senator KERRY and the other sponsors of this amendment. They have served this Nation with tremendous courage in so many ways. And again

they serve the Nation tonight and the world tonight by bringing to our attention, for our action as they propose, the situation in Cambodia.

I just want to simply say that not only does this Senator support them, but I believe that I am speaking for every Senator in this body that we feel strongly that not only have these Senators given so much in the past, but again they are reflecting the best of this democracy in speaking out against what is happening now in Cambodia. I just simply want to thank them and say how much this Senator supports their work, how much we appreciate the dedication and the values of this Nation reflected in this resolution.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I wish to associate myself with the remarks of my distinguished colleague from Michigan. The Senate is indeed fortunate to have these three men who have proven themselves on the field of combat and who now bring that same wealth of experience to bear on this critical issue.

In many respects, in the Senate, because of just simply the times, the demographics, fewer and fewer in number have served in uniform in farflung areas of the world to gain that firsthand experience which is so vital to bring to bear on critical issues of this kind.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. KERRY. I ask unanimous consent that the Senator from California, Senator FEINSTEIN, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. If there is no further debate, I suggest we now move to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 800) was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, parliamentary inquiry.

Under the previous order, my understanding is that the Senator from Wisconsin will be recognized.

The PRESIDING OFFICER. The Senator is correct.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Let me also associate myself with the remarks by the Senator from Michigan and the Senator from Virginia about the resolution that we just passed regarding Cambodia.

Let me also say just how grateful I am, and I know all Members of this body are, for the extremely distinguished service of the Senators in that group in the war in Vietnam.

Let me also associate myself with regard to the situation in Cambodia. I have placed my own brief statement in the RECORD with the hope that we can get back on the road to democracy and progress in Cambodia. I am honored to have been here to hear their remarks with regard to that issue.

In that regard, Mr. President, and in regard to a current situation where American men and women are serving overseas in the Bosnia situation, I am prepared to offer an amendment.

Mr. President, I ask unanimous consent that the pending business be set aside.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

AMENDMENT NO. 759

(Purpose: To limit the use of funds for deployment of ground forces of the Armed Forces in Bosnia and Herzegovina after June 30, 1998, or a date fixed by statute, whichever is later)

Mr. FEINGOLD. I call up my amendment, Mr. President, No. 759, which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 759.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle E of title X, add the following:

SEC. 1075. LIMITATION ON USE OF FUNDS FOR DEPLOYMENT OF GROUND FORCES IN BOSNIA AND HERZEGOVINA.

(a) LIMITATION.—Funds appropriated or otherwise made available for the Department of Defense may not be obligated for the deployment of any ground elements of the Armed Forces of the United States in Bosnia and Herzegovina after the later of—

(1) June 30, 1998; or

(2) a date that is specified for such purpose (pursuant to a request of the President or otherwise) in a law enacted after the date of the enactment of this Act.

(b) EXCEPTIONS.—The limitation in subsection (a) shall not apply—

(1) to the support of—

(A) members of the Armed Forces of the United States deployed in Bosnia and Herzegovina in a number that is sufficient only to protect United States diplomatic facilities in that country as of the date of the enactment of this Act; and

(B) noncombat personnel of the Armed Forces of the United States deployed in Bosnia and Herzegovina only to advise commanders of forces engaged in North Atlantic. Treaty Organization peacekeeping operations in that country; or

(2) to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

Mr. FEINGOLD. Mr. President, I rise today to offer an amendment to S. 936, the Department of Defense authorization bill for fiscal year 1998. This amendment simply would prohibit the use of funds within the bill for the deployment of any ground forces in Bosnia-Herzegovina after June 30, 1998.

As we all know that is the date that the President has said now United States troops would be out of Bosnia. My amendment would simply codify this goal. This amendment would allow appropriate exceptions, however, for Armed Forces personnel deployed in Bosnia to protect United States diplomatic facilities or noncombat personnel to advise NATO commanders. It would also not affect the President's constitutional authority to protect the lives of American citizens.

Mr. President, this is similar to an amendment I introduced in May to the supplemental appropriations bill. That amendment, which applied only to the approximately $1.5 billion worth of ''emergency'' appropriations included in that bill, prohibited the use of fiscal year 1997 funds after the date of December 30, 1997. In order to accommodate the views of several other Members of this body, I did agree to accept an amendment by the Senator from Texas, Senator HUTCHISON, that changed that date to June 30, 1998.

I was pleased that on that occasion the Senate unanimously chose to accept the modified version of my amendment on that bill. Although it was eventually dropped in the conference committee, I was pleased that the conferees included language in their report expressing the concern of the Congress regarding the Bosnia deployment and requiring the President to provide regular reports to Congress on the deployment itself as well as on the cumulative costs stemming from various United States efforts associated with Bosnia.

So here today, Mr. President, we now have an opportunity again to go on record regarding the continuation of the Bosnian operation beyond next June.

I have held strong reservations about United States troop deployment in Bosnia ever since it was announced in 1995. These doubts were so strong that I ended up being the only Democrat in the Congress to vote against deployment of United States men and women to support the Dayton accord.

It was a hard vote, but I voted no because I felt that the administration's promises to bring our men and women home after just 1 year were simply not plausible. Now, here we are in July of 1997—nearly 2 years later—our troops are still in Bosnia, and it is already clear that at a minimum we will remain there at least until the middle of 1998.

Mr. President, my concerns about our involvement in Bosnia have not changed since that first ''no'' vote.

I will be the first to acknowledge, though, that the international intervention in Bosnia has had some positive benefits. The Dayton accord and the deployment of the NATO-led implementation force, IFOR, put an end to

the bloodshed of the 3-year Bosnian war. In this sense, Mr. President, the IFOR mission in Bosnia was a success.

There also can be no argument about the bravery and professionalism of the United States personnel who served in IFOR and are still in Bosnia as a part of the stabilization force, SFOR. Amazingly, there have been virtually no casualties even though there have been as many as 27,700 United States troops in the theater at one time. These men and women work through harsh conditions in a complex and often unstable environment. Although there have been passionate debates about whether our military should stay in Bosnia, admiration for the outstanding performance of our troops has been unanimous.

Mr. President, my problem is with the seemingly endless duration of this mission.

When in late 1995, the President first announced he would be sending United States forces to Europe to participate in the IFOR mission, he promised the Congress and the American people that the IFOR mission would be over within 1 year. This promise was reiterated by the President on several occasions and continually backed up by senior American military and diplomatic officials in public statements and in testimony before Congress. I think we all understood that promise. I think we all understood that promise to mean that our military men and women would be withdrawn from the region by December 1996, or at least very shortly thereafter.

But in November 1996 the President announced that he would extend the U.S. mission for an additional 18 months, through June 1998, for participation in the NATO force now known as SFOR. Mr. President, despite this new acronym, SFOR really represents nothing more than an extension of the original IFOR mandate, albeit somewhat more limited in scope.

Mr. President, I am afraid that there is still no clear end to our mission. The main factions in Bosnia are not making progress toward creating a viable nation that can survive without the presence of the international force. Although the IFOR and SFOR deployment has certainly halted the widescale fighting, there has been little progress on the political front. According to a May report by the General Accounting Office, the united governments Parliamentary Assembly has met just once and has yet to pass any legislation. The unified Council of Ministers has no authority, no funding, and no office space.

So long as SFOR maintains an indefinite commitment to serve as referee in Bosnia, I don't think we can expect any movement by the three Bosnian factions to build the institutions that will be needed, once the NATO force pulls out. So unless we set a deadline for our involvement to end, Mr. President, I believe there will be little to no incentive for the three sides to create a lasting political solution to the conflict.

Mr. President, Bosnia's problems are still immense. Authoritarian rulers from all sides are hampering democracy. Many refugees are still unable to turn to their homes, and acts of ethnic violence occur on a daily basis. In short, Mr. President, there will never be a good time to pull out of Bosnia. If we stay in Bosnia until the Croats and Serbs and Bosnians learn to live together, then we may never leave.

At the heart of the conflict is the fact that the strategic political goals of the warring factions remain unchanged. There are many observers who believe that the presence of the U.S. troops alone, instead of helping in some way, actually serves to harden rather than soften ethnic tensions in the area. The longer the Muslim refugees are prevented from returning to their homes the more determined they are to fight for their right to do so. At the same time, the Serbs are thwarting resettlement efforts and ignoring indictments from the War Crimes Tribunal against their own leadership. I believe that the open-endedness of this mission is helping to keep the warring parties from truly fulfilling their commitments under the Dayton accord.

Mr. President, I have a second concern, as well. It really is the crux of this amendment. It relates to the bill that the United States taxpayer is expected to bear to support this Bosnia operation. The Congress and the American people, Mr. President, were originally told the Bosnia mission would cost the U.S. taxpayers approximately $2 billion. Sometime in 1996 that estimate was revised to $3 billion. Then, subsequent to the President's November announcement extending the deadline for troop withdrawal, we learned that the cost estimate had been revised upward again, and really revised upward to a staggering $6.5 billion after the initial figure of $2 billion had been used. Six months later now, the May 1997 GAO report estimates this mission will cost $7.7 billion for military and civilian support for fiscal years 1996 through 1998.

Mr. President, this latest figure is nearly four times as great as the administration's original estimate. To put this in perspective, the United States, over the course of 30 months in Bosnia, expects to spend an amount equivalent to over just half of the entire foreign operations budget for the current fiscal year for the whole world.

Mr. President, as I said during the debate over the supplemental appropriations bill, what we now have with United States involvement in the Bosnia operation is not mission creep, it has become dollars creep for the U.S. Congress and for the American people. At the very time we are straining so hard to eliminate the Federal deficit, we need to plug up the ever-enlarging hole in the Treasury through which funds continue to pour into the Bosnia operation.

Mr. President, by setting a hard date, by prohibiting the use of funds after June 30, 1998, my amendment establishes an end date for the deployment of ground troops in Bosnia. This is the only hope we have to plug this hole in the Treasury.

Mr. President, by establishing an end date for the funding of the deployment of U.S. troops, my amendment, I hope, serves the dual purpose of preventing both mission creep and dollars creep in the Bosnia situation.

I yield the floor.

Mr. WARNER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 802 TO AMENDMENT NO. 759

(Purpose: To substitute an expression of the sense of Congress regarding a follow-on force for Bosnia and Herzegovina)

Mr. LEVIN. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

Mr. WARNER. Mr. President, parliamentary inquiry. What rights does the Senator from Virginia, acting for the majority, have with respect to not having this accepted? I object to this being accepted.

Mr. LEVIN. The Senator from Michigan will not be pressing for the disposition of this amendment tonight, following my conversation with my friend from Virginia.

Mr. WARNER. That does not preclude, subsequent to sending it to the desk, an objection being interposed by the majority or any other Senator.

Mr. LEVIN. Anybody could move to table this or vote no on this, because I am not going to be pressing for disposition of this tonight, and if there are other amendments to dispose of tonight, we will have to set aside this second-degree amendment.

Mr. WARNER. Will the Chair kindly respond to the question?

The PRESIDING OFFICER. The amendment will not be disposed of until all debate has concluded on the amendment this evening.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself, Mr. REED, and Mr. MCCAIN, proposes an amendment numbered 802 to Amendment No. 759.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out the section heading and all that follows and insert in lieu thereof the following:

SEC. 1075. SENSE OF CONGRESS REGARDING A FOLLOW-ON FORCE FOR BOSNIA AND HERZEGOVINA.

It is the sense of Congress that—

(1) United States ground combat forces should not participate in a follow-on force in Bosnia and Herzegovina after June 1998;

(2) the European Security and Defense Identity, which, as facilitated by the Combined Joint Task Forces concept, enables the Western European Union, with the consent of the North Atlantic Alliance, to assume political control and strategic direction of NATO assets made available by the Alliance, is an ideal instrument for a follow-on force for Bosnia and Herzegovina;

(3) if the European Security and Defense Identity is not sufficiently developed or is otherwise deemed inappropriate for such a mission, a NATO-led force without the participation of United States ground combat forces in Bosnia, may be suitable for a follow-on force for Bosnia and Herzegovina;

(4) the United States may decide to appropriately provide support to a Western European Union-led or NATO-led follow-on force, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in a neighboring country; and

(5) the President should inform our European NATO allies of this expression of the sense of Congress and should strongly urge them to undertake preparations for a Western European Union-led or NATO-led force as a follow-on force to the NATO-led Stabilization Force if needed to maintain peace and stability in Bosnia and Herzegovina.

Mr. LEVIN. Mr. President, the Senator from Wisconsin has offered an amendment, which has as its purpose sending a very clear sign to our friends in Europe, our allies, to the administration, and to the people of America that it is our intention that our forces be out of Bosnia by the middle of next year. And I happen to share that goal. I think it is important that if we are going to be credible militarily, that when we have a mission and we set an end point for that mission, as we have, and particularly where the military side of that mission has now been accomplished—the military side—that for our military to be credible, we should live up to the mission's shape, the mission's description.

Now, part of this mission—and it was stated when these troops were sent in—was that they would complete their mission by the middle of next year, and they were given certain other tasks and, militarily, those tasks have been assigned. The civilian side of the Dayton accords have not been fulfilled, surely. And it is my clear belief that the civilian side of the Dayton accords are not going to be completed by the middle of next year. There are going to be many years before those civilian goals in Dayton can be achieved.

It is my own personal belief that there is going to need to be a follow-on force in Bosnia if the gains which have been made are not going to be lost. There have been some significant gains. I also believe that the Europeans should take a greater responsibility for that follow-on force, and they should know now that it is the intention of the Congress that a follow-on force, which is likely to be necessary, or may be necessary, is going to be one that will not have American ground combat troops.

That is goal 1 of this second-degree amendment. It is to state the sense of the Congress that American forces leave Bosnia by the middle of next year, as planned, as scheduled, as part of the mission.

But there is another part to the second-degree amendment. That part is a reference to the Europeans, as providing a follow-on force, if necessary, through something called the European Security and Defense Initiative, which is an initiative inside of NATO, using NATO's assets, which has been approved by NATO, but which is connected to the western European Union. It is an effort to get greater European initiative in European affairs. It is a way of saying we will support the Europeans in taking that initiative through the use of NATO assets, but without having Americans in the lead everywhere that NATO operates.

It is something the Europeans have said they want many, many times. It is their initiative inside NATO. It has been approved by NATO. NATO, in January 1994, gave its full support to the development of a European Security and Defense Initiative to strengthen the European pillar of the alliance, and in order to allow our European allies to take greater responsibility for the common security in their common defense. It was designed to enable, as I said, the western European Union to carry out operations using NATO assets and capabilities. That is the other part of this sense-of-the-Senate resolution.

So I want to commend the Senator from Wisconsin, and many others in this body, who want to keep us to the mission statement, the mission goal, part of which is that our troops would be removed by the middle of next year. Again, I emphasize the military part of the Dayton accords have been completed. Our military has done a spectacular job. We should be supporting our military, and we are. This second-degree amendment avoids the excessive statement that is made when one says there is going to be a cutoff in funding, but at the same time sends a strong message that it is Congress' intent that there not be United States forces on the ground in Bosnia after next year. It gives a little greater flexibility.

A funding cutoff, under these circumstances, when our military is there now, successfully, is too blunt an instrument. It is just too inflexible an instrument. It will take away bargaining power that currently exists both with our allies and with some of the negative regressive forces inside of Bosnia. We are going to have plenty of time to act to cut off funds, should that be necessary and should the circumstances dictate. But we should not commit ourselves a year in advance to cutting off funds when there is sufficient time at a later time to do so.

So this second-degree amendment sends a strong message, which is the intent of the Senator from Wisconsin—an intent that I happen to share—but it does so without either undermining the morale of our troops, or without harming our chances for further progress in Bosnia.

So, Mr. President, I basically have reached a number of conclusions that are reflected in this amendment, which is cosponsored by Senator REED of Rhode Island and Senator MCCAIN of Arizona. These are the conclusions that I believe are accurate, based on a lot of personal visits to Bosnia and a lot of study.

One, there is an absence of war in Bosnia, and that situation is likely to remain as long as there is an outside armed force in Bosnia.

Two, the civilian implementation of the Dayton accords is lagging far behind military implementation.

Three, central governing institutions are developing in Bosnia, but there is a long way to go. The Bosnian Serbs have not yet decided even that it is in their best interest to cooperate.

Four, reconciliation among the Bosnian factions has barely begun.

Fifth, the central role played by the United States has reinvigorated the NATO alliance and re-established America's leadership.

Six, the United States should continue its leadership role and remain involved in Bosnia.

Seven, our European NATO allies have sought to become less reliant on the United States, and mechanisms including the European security and defense initiative are being developed to allow them to play a larger role.

Next, either a Western European-led force, with its core made up of the forces of our European NATO alliance, or a NATO-led force, without a U.S. ground combat presence, should be ready to provide a follow-on force if an armed outside force is necessary to keep the peace in Bosnia after S. 4 completes its mission in June of 1998.

Mr. President, that is the thrust of this amendment. It is aimed at making a strong statement in terms of congressional intent, but it is also aimed at avoiding too blunt or too inflexible an instrument a year in advance of when the American troops should be removed from Bosnia.

AMENDMENT NO. 802, AS MODIFIED

Mr. President, I send a technical modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify the amendment. The amendment is so modified.

The amendment (No. 802), as modified, is as follows:

Strike all after ''SEC.'' and insert in lieu thereof the following:

SEC. 1075. SENSE OF CONGRESS REGARDING A FOLLOW-ON FORCE FOR BOSNIA AND HERZEGOVINA.

It is the sense of Congress that—

(1) United States ground combat forces should not participate in a follow-on force in Bosnia and Herzegovina after June 1998;

(2) the European Security and Defense Identity, which, as facilitated by the Combined Joint Task Forces concept, enables the Western European Union, with the consent of the North Atlantic Alliance, to assume political control and strategic direction of

NATO assets made available by the Alliance, is an ideal instrument for a follow-on force for Bosnia and Herzegovina.

(3) if the European Security and Defense Identity is not sufficiently developed or is otherwise deemed inappropriate for such a mission, a NATO-led force without the participation of United States ground combat forces in Bosnia, may be suitable for a follow-on force for Bosnia and Herzegovina.

(4) the United States may decide to appropriately provide support to a Western European Union-led or NATO-led follow-on force, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in a neighboring country; and

(5) the President should inform our European NATO allies of this expression of the sense of Congress and should strongly urge them to undertake preparations for a Western European Union-led or NATO-led force as a follow-on force to the NATO-led Stabilization Force if needed to maintain peace and stability in Bosnia and Herzegovina.

Mr. LEVIN. Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I find myself in something of an awkward position. I will address it in greater detail momentarily because I have been opposed to the utilization of our ground troops in this region of the world, namely Bosnia, for many years. I have so spoken and I have voted that way. Only once was I faced with a vote that had I not supported it would have been construed as not supporting the troops, did I cast a vote which could be construed, in any way, as supporting the use of ground forces in this region. But at this time I am acting on behalf of the distinguished majority leader and the chairman of the Armed Services Committee, and in that capacity I send to the desk an amendment in the second degree in the nature of a perfecting amendment.

The PRESIDING OFFICER. The Senator from Michigan sent an amendment to the desk which was a modifying amendment, and it became a perfecting amendment. Consequently another second-degree perfecting amendment is not in order at this time.

Mr. WARNER. Very well, Mr. President. We will see what we can do to untangle this situation in the morning.

So, for the moment I will just speak to the amendment offered by the distinguished Senator from Wisconsin and the second-degree amendment of my good friend and colleague, the distinguished ranking member of the Armed Services Committee, the Senator from Michigan.

My concern is as follows. It is twofold.

One, there is a long history of the President exercising his role as Commander in Chief and the Congress exercising its role primarily through the power of the purse. And for the 18 years I have been privileged to serve in this body I have participated in many, many debates on this issue. Now we are confronted with the fact that the American taxpayers have invested up to $7 billion, I am told, in this conflict in this very troubled part of the world, a part of the world in which historically troubles have existed from almost the beginning of mankind. I have always been of the opinion that it can never be settled. I have made many trips to this region. As a matter of fact, I was the first Member of the U.S. Senate to go into Sarajevo—my recollection is about 3½ years ago. I have been back on a number of trips with other colleagues. And the underlying problem of these people in terms of their ethnic conflicts and religious conflicts is just beyond me to comprehend. I have seen ravages of this war firsthand both on people and property. But I am going to put that to one side for the moment.

Two things concern me: one, the President has the right as Commander in Chief to give the orders to the troops to go in, and really we authorize as the Congress to give him every right to decide when those troops are to be withdrawn. I fully recognize that in this debate. Particularly over the last 6 or 7 months there have been many signals from the administration that this general timeframe of June 1998 is when the ground elements are to be pulled out.

Indeed, when the Secretaries of State and Defense appeared before the Senate Armed Services Committee, I think one of the first times, if not the first time in history, my recollection is that I asked the question that prompted the answer from Secretary Cohen that he stood firmly behind the policy to pull the ground elements out in June of 1998.

It has been interesting to observe since that time the posturing, particularly by the Secretary of State, and to some degree by the President, in my judgment, trying to distance themselves from that statement by our former colleague, and, indeed, my good friend of many years, the current Secretary of Defense.

I anticipate that the President and his Cabinet officials and others will soon come to the Congress to try and explore the common ground in which we can recognize that the President under his constitutional powers should be given the maximum latitude in deciding when to bring troops, whether it is ground, air, or otherwise, out of the situation into which they have been deployed.

I footnote my remarks again by saying I voted against it. I was opposed to it. I do not think today, or yesterday, or, indeed, I don't think I will ever be convinced that this part of the world is in the vital national security interests of the United States. But nevertheless the President has the power under the Constitution as to when to deploy. I think that power also is the power to determine when to extract. And I am one that wants to give the maximum latitude to any President to exercise rightfully his constitutional powers.

I also recognize that we have, as I said, invested upwards of $7 billion.

I want to ask my good friend when he returns here momentarily, could not such a statement as we are debating tonight—although it is the sense of the Senate, sometimes those communications as they cross the ocean are misinterpreted or not fully understood. And how can we have asked the American taxpayers, even though I and others voted against, to have contributed this extraordinary sum of money? And, indeed, this sum of money has been taken from the procurement accounts, from the readiness account, and the R&D accounts. It has literally starved the defense budget. And those effects are being felt today.

Nevertheless, how can we jeopardize that investment with stating that no matter what happens—this says, ''United States ground forces should not participate in a follow-on force in Bosnia and Herzegovina after June 1998.'' It doesn't really have any contingencies. Just today we learned that elements of the NATO forces went in to try to capture war criminals. I have great concern—perhaps next week after I receive a briefing, and hopefully so will other Senators—on exactly what was the change of policy. What was intended to be done? Here we are, Mr. President. We are looking at a rapidly changing situation. If we are going to allow the NATO forces to go out after some 50 war criminals—these were low-level in terms of the hierarchy—I think in a geographic location where certainly it is less troublesome to have a military operation get them than many of the others, the principal ones.

But my point is this is a changing situation. And to say that June 1998 all ground forces must be withdrawn, in my judgment, is unwise from a constitutional standpoint. And I question whether or not we have acted in good faith with the American people to say now we are going to put that arbitrary limitation on our President.

Then I ask of my colleagues—and I hope that they take the floor and perhaps ponder my questions. And I will direct them in a moment. Our allies have said, ''You pull out, we are pulling out the next day. You pull out, we will pull out.'' So this is going to trigger a precipitous withdrawal of those forces which have basically secured this situation. So that there has been a situation of comparative peace now for some considerable time.

So I would like to ask first of my distinguished colleague from Michigan, what is likely to be the allied reaction to a sense-of-the-Senate resolution by the Congress of the United States that we think these troops—no matter what the situation—that maybe our ground forces should be withdrawn no later than June of 1998?

Mr. LEVIN. I think they would see it in two ways.

First, I think they would see that we are supporting the administration which has stated its position that our troops would be out of there. The administration position is that our troops will be out by the middle of next year. So I think they would see the Senate as going on record as supporting that position of the administration.

So they would see some unity in that respect.

But they also, I think, would see in this second-degree resolution something which is very important. This amendment says that the Europeans and we in NATO talked about greater European initiative. We have now put one in place, and it is being implemented as we speak.

I checked with General Shalikashvili and I have checked with our leadership in Europe. This European security and defense initiative in NATO adopted by NATO with our support to give the Europeans—not only give them assets to carry out greater European initiatives but to encourage European initiatives. And this is what this amendment also does. It says we support the administration's position that these troops be out. We are going to let you know a year in advance. We are not going to have the funds cut off. It is too inflexible. It is too rigid. That is not part of this sense-of-the-Congress resolution. They will see that as avoiding that kind of inflexibility and rigidity because a lot of things can change possibly.

On the other hand, it is important that we send that signal that we let the Europeans know that that is our plan, and that is our intention, and that is the administration policy.

I have visited a number of European capitals, and I have heard the same things which my good friend from Virginia has heard about a number of Europeans saying, ''We are pulling out if you pull out.'' But I have also heard European leadership say maybe there is a way—maybe there is a way that, if the United States plays a more supporting role but not necessarily troops there on the ground, but a more supporting role in some other form that maybe, maybe, it is possible that a follow-on force made up of European forces can stay there. Just the way the British today took that initiative with our help, and at some risk, as we know. There were some casualties.

So a follow-on force could show that kind of greater European initiative with our support, but without our ground forces being on the ground.

So I think there are a couple of messages that are involved in the second-degree amendment. And it has the kind of balance which I know my good friend from Virginia is struggling to do which is not to pull the rug out from under, not to have an absolute funding cutoff, but, on the other hand, expressing some clear message that the policy under current plans of having our troops leave in the middle of next year as scheduled is something that we intend at this time to happen.

Mr. WARNER. Mr. President, I value the views of my good friend. We have served together side by side for the 18 years that we have been here together. We made many trips together. As a matter of fact, Mr. President, the chairman of the Armed Services Committee entrusted us with doing the official report for the committee as it related to Somalia.

The Senator spoke of the NATO forces today who tried to apprehend—I think in one instance did apprehend one, and a second alleged criminal was killed. I am all in favor of somehow capturing these criminals. But I want to visit it another day at another time about how that is to be done. Because I, drawing on the lessons of Somalia, which the Senator and I experienced and wrote about in some detail, I am very concerned when the United States in this type of situation is involved in nation building and going into situations like this; but another day; another time.

But I come back to the Senator's statement about the Dayton accords. That was a historic achievement. It really was. As a matter of fact, I was pleased to see the Armed Services Committee and the Senate back the rapid promotion of one of our members, General Clark, to the position of NATO Commander. He was deputy to Ambassador Holbrooke throughout that period. And true, that framework, no matter how we valued it, is not being accepted today by the parties and really enforced in the manner we had anticipated, and certainly not on the timetable.

If we send a message that we are going home June of 1998, what does that do to induce them to finish it? I think it could be just the reverse. Those opposed to following through on the accords will dig in and will say, ''Wait them out. Wait them out. Let them go, and then we can take this situation perhaps into our own hands.'' Who would come into the vacuum? What nations, what troops, what forces could come into that vacuum at that time?

It seems to me that it is not right in the first place to go in there with these ground forces. But that is history. Now the American taxpayers and our brave servicepersons have gone over there and have taken a great deal of personal risk. And they have made the Dayton accords as it relates to the security policy work.

To jeopardize that whole thing, put it up for failure, it just to me is a very risky and unwise course of action. As I look through the amendment, which I forwarded, and now regrettably the tree is completed, I hope tomorrow morning in the dawn of a new day we can work it out so those on our side who hold views possibly which are parallel in many respects to the distinguished Senator from Michigan and the Senator from Wisconsin can sit down and work out a common position which can be reviewed by the Senate and voted on by the Senate. In all likelihood, this Senator would vote against it, but that is not a controlling fact.

But I would be interested in the Senator's view on the Dayton accords. The Senator said that they were not being fulfilled. How does this policy, in the Senator's judgment, prompt a greater degree of compliance?

Mr. LEVIN. The amendment which I have introduced along with Senator REED and Senator MCCAIN states that it is likely there is going to be a need for a follow-on force for the very reasons the Senator from Virginia states. The Dayton accords civilian goals have not been achieved, and I do not see any prospect that they will be achieved by the middle of next year. I do not see any realistic prospect that we are going to see a million plus refugees resettled, war criminals captured, all the new arrangements, civilian arrangements that have been magnificently provided for in the Dayton accords achieved by the middle of next year.

I just do not see that happening. But I do not want to see an open-ended commitment of American troops. I think we undermine the credibility of the use of military force when we set a date, as we have; set military missions, which we have; see those missions achieved, which they have been, the military mission achieved, which they have been, and still leave our military there. That turns them into a police force for which I do not think they should be used. I think for the credibility of military forces, if you have a mission, if it is clear, achieve it and leave.

Well, we had a clear mission militarily. It has been achieved. We have a date for departure, and I think under current circumstances we ought to say it is our intention that we are going to depart as planned. But to have a funding cutoff, it seems to me, goes too far. It is too rigid, too inflexible, too far in advance.

How do you balance those goals? How do we send a signal to the Europeans that, look, we probably are going to need a follow-on force on the civilian side and you folks have indicated your willingness to take greater initiative in your own backyard. We are willing to help. But we also have a mission which has been accomplished there militarily. We are militarily spread all over this world. We have to have some kind of end points to military missions which have succeeded, and that is the balance which is set forth in this second-degree amendment—to end the open-ended commitment and to, I think, make credible the use of military force by setting a clear mission, seeing it achieved and then departing as scheduled.

So it is somewhat different from the good Senator from Wisconsin, but I have to tell you that the direction he is moving in, sending some kind of a signal a year in advance, I think is very helpful, providing it is accompanied with this awareness of the likelihood of the need for a follow-on force and our willingness to be supportive of it while we are not with combat forces there on the ground. That is the balance in this second-degree amendment, avoiding some of the concerns, I think, or meeting some of the concerns at least, that the Senator from Virginia has discussed about not wanting to pull the

rug out from under in an inflexible, rigid way but nonetheless saying to our European friends: Folks, it is time for you to take some greater initiative. We will be there to help, but it is time for you to show some leadership as well.

Mr. WARNER. Mr. President, if I could address another point here. Let us look at section (4):

The United States may decide to appropriately provide support to a Western European Union-led or NATO-led follow-on force including command, control, intelligence, logistics, and, if necessary, a ready reserve force in a neighboring country.

Is that ready reserve force ground troops? I think it is.

Mr. LEVIN. It could be.

Mr. WARNER. What do we gain by simply picking them up out of their present positions and moving them 50 miles across the border or whatever the distance may be? What do we gain? It is pure symbolism. And then they rush back at a telephone call?

Mr. LEVIN. There are two things that are gained. First of all—this suggestion, by the way, is General Shalikashvili's. I put a lot of stock in the kind of suggestions he makes. It can very well be a smaller force, and it is less of a target. American troops, as I think the Senator from Virginia would acknowledge, have been the target of choice too often. Not having American troops there as targets, it seems to me, would be a plus. Having a smaller number nearby makes them less of a target and, on the other hand, does provide some deterrence as well as accomplish some significant cost savings. So there are both cost savings involved as well as reducing the risks and the threat to American forces.

Mr. WARNER. Well, Mr. President, the Senator says they are a target, and I share that with the Senator, and I am concerned now as a consequence of this mission to capture the war criminals that there is probably going to be a heightened alert and a heightened degree of risk.

So the Senator seems to think that if they are moved some distance across a border into another country—I do not doubt that there would be diminished personal risk to those troops. What does that say to the troops that are left back there from other European nations? The United States has withdrawn to a safe haven, yet we are left out here to take the risk.

I somehow find this all incongruous. I really do, Mr. President. If we are a part of NATO, we are going to pull our share, and that is financially, it is in terms of risk, it is in every other way. That is the way NATO was set up. We are proud to be the leader of NATO. We have as the senior officer, an American officer as the commanding general of NATO forces, and yet you are going to say we will now have a policy when there is a risk, our people are going to a safe haven some distance away in another land and let the chaps and ladies or whatever the composition of that force may be stay in harm's way in Bosnia. I find this all very difficult.

Mr. LEVIN. If the Senator will yield just on that point.

Mr. WARNER. Yes.

Mr. LEVIN. NATO has adopted a policy where the Europeans will take greater initiative without American presence. It is called the European Security and Defense Initiative. It was adopted in January of 1994. It is a NATO policy.

So, yes, we are a big part of NATO, and we do more than our fair share. I know the Senator would agree with that. We do more than carry our load, and we have more than enough of our personnel around the world at risk. It is time that the Europeans in their own neighborhood take on a greater share of the risk. This is a way of achieving that balance. But it is a NATO initiative. This European Security and Defense Initiative is a NATO initiative, approved by NATO. That is what is referred to in the second-degree amendment.

Mr. WARNER. Well, Mr. President, if there are others who wish to speak, I will be happy to yield the floor. But I want to return—I am familiar with the European Security Defense Initiative, and I am not so sure that I am here tonight prepared to go into all the ramifications. But we are the leader of NATO, and I think if there is going to be a pattern where we do not get involved and share the risk, I question how long we can retain that leadership role.

I seem to be in opposition to a number of things. I am not in favor of the expansion of NATO. It seems to me that the actions taken in Madrid are not in the best interests in the long term of NATO.

I have gone back and read the debates. Remember 10, 12, 14 years ago when there were tremendous debates in the Chamber of the Senate: Bring them home—debates before we arrived led by the very able majority leader, the Democratic leader of the Senate, the distinguished Mike Mansfield of Montana—bring them home; NATO has finished its mission.

There may be a degree to which our tinkering with NATO and changing it in concept could begin to undermine American public support, and I think that would be a terrible loss—NATO, the greatest alliance in the history of mankind, the most effective, the alliance that fulfilled its goals, exceeding every expectation of those who laid down the original charter. Indeed, NATO should be credited, rightfully, for such victories as we attained during the cold war period for the demise of the Soviet Union. NATO was instrumental. We will debate that another day. I see other Senators wishing to speak, so for the moment I will yield the floor, Mr. President.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I thank the Chair. I rise to support the second-degree amendment offered by the Senator from Michigan on my behalf and on behalf of Senator MCCAIN.

I, too, compliment the Senator from Wisconsin for his amendment. One of the great frustrations in watching this policy evolve concerning Bosnia is that I fear we are wasting precious time in taking concrete steps so that we can effectively depart that country in June of 1998. The Senator's amendment has focused this debate and, I hope, gives further impetus to efforts by the administration to take these steps so that the withdrawal of our troops in June of 1998 will be a reality and not a situation where we are victims of a fait accompli and must stay longer.

Like my colleague from Michigan, I share the Senator's goal. I believe that we should withdraw our troops by June of 1998. As the Senator from Wisconsin said, there are no good times to leave. In a tumultuous situation like Bosnia, with ethnic rivalries, with violence, with a history of centuries of violence, there are no good times to leave, but we must leave because, as my colleague from Virginia has pointed out, we have already spent $7 billion, and after June 30, 1998, the cost does not go to zero. The costs continue to accumulate. These costs are not just in terms of appropriations for our military forces. They are also in terms of the stress and strain placed on our military forces. There is discussion about mission creep, but I think the first symptom emerging from Bosnia is mission exhaustion as our troops will be forced to be rotated back to that country from their positions in Germany and outside of Bosnia.

So for all of these reasons and more, I believe that we should have the requirement to return our troops to their home stations by June of 1998. I just believe that the Feingold amendment is the wrong approach to this situation. It would impose severe conditions on this announced departure date by cutting off funding for the deployment of any ground elements of the Armed Forces except guards at our diplomatic facilities and noncombatant advisers to NATO forces, and this arbitrary restriction could play havoc with our mission and with our troops' ability to carry out that mission.

As one consequence, if this provision would pass, it could immediately begin to demoralize our troops. Even though we have set as our objective our departure by June of 1998, passage of this bill cutting off funds would, I think, send a signal that we are not only requesting them to leave but in some respects abandoning them in their operations. I think that is the wrong signal.

I know, as the Senator from Wisconsin pointed out, that he, too, shares with me the esteem that we have for the performance of these remarkable soldiers in this operation.

Second, I believe that this amendment would weaken the resolve of our NATO colleagues to participate in this mission. I know it has been said on this floor this evening that the Europeans

have declared, if you go, we will go. But if we pass this amendment today, any possibility of constructive dialog and engagement to encourage them to stay beyond June will, I think, be totally lost, and that would be a severe gesture.

I believe we have to keep this active dialog alive with our European colleagues, and with this amendment tonight, the Feingold amendment, we could very well cut off such dialog. In addition, the Feingold amendment contemplates leaving in place a few Embassy guards and some advisers to NATO. First, if we do construct a follow-on force and if that force is not NATO, this legislation could technically preclude any assistance to a follow-on force, and in that respect I think we are doing ourselves a great disservice, hampering the flexibility of the administration to construct a follow-on force, a constructive military posture in Bosnia after June of 1998.

Furthermore, I believe there is a possibility that those forces left behind, Embassy guards or noncombatant advisers, would be placed in a very frustrating position.

We are going through a situation where we have significant combat power in-country, with robust rules of engagement, suddenly to a position where American troops are merely, in a way, passive bodyguards for our own military personnel. Their safety could be jeopardized. And, in addition, they would be in the frustrating position of perhaps standing by helplessly when civilians, which we previously protected, could fall victim to the ethnic rivalries which we know exist in that country.

I think also one of the detriments and deficiencies in the amendment is it obscures what I think should be the focus of the debate today. We all agree June of 1998 is the appropriate departure date. What we should be debating today on this floor is what steps we must take beginning today to ensure that we can safely and appropriately withdraw our troops by June of 1998. I believe there are several steps that must be taken.

Like my colleague from Michigan, I believe we should constitute a follow-on force, but a follow-on force that is not composed of American ground troops. As the Senator from Michigan pointed out, we have the capability through NATO, or through the European security defense identity which would use NATO assets, to provide this follow-on force.

Indeed, I think we have to remind Europeans of their brave words back in 1992 in Lisbon when the leaders of the European nations declared that assisting the people of former Yugoslavia in their quest for peace was a test of their ability to establish and maintain peace and security on the Continent of Europe. It is not inappropriate—in fact, I think it is most appropriate—that this situation be returned primarily to the European forces after the intervention of NATO successfully to suppress violence and give them a second chance, give them a second chance to maintain the peace and stability in that region.

As we all know, for many years it was a primarily European-led United Nations force, United Nations-protected force that operated within Bosnia. That force was inadequate, but I believe with the intervention of NATO, with the steps we have already taken, a European force could, in fact, and should, in fact, carry out this follow-on mission. I also believe that to augment the European force within the former Yugoslavia, we should, in fact, create a residual force in a nearby country or in the Adriatic, which could respond in a crisis to the legitimate requirements for assistance for this force.

In doing those two things, I believe we would, in fact, create a follow-on capability that would preserve the gains we have made in the former Yugoslavia. I believe it is also very important that our administration speak with a very clear voice and a single voice about our intention to depart in June of 1998. It is frustrating when the Secretary of Defense clearly states that deadline, but his words are sometimes confused by ambiguous statements from other leaders of our National Government. I believe we should have one voice, and that one voice should declare that we are leaving in June of 1998.

While we go about our military preparations to depart, we have to address the concerns of economic development, and we can do that in a way which favors those parties within the former Yugoslavia, within Bosnia, who are trying to assist in an evolution to a democratic, peaceful society. If we do these things—reconstitute a follow-on force, provide for a residual American force outside of the country that can assist the follow-on force, and begin to support the economic and political development of the people of Bosnia—then I believe that when June of 1998 arrives we can and will successfully remove our forces. But the challenge we face today is not to arbitrarily cut off and terminate funding at this juncture. The challenge we face is to use the intervening months that we have to fashion a policy which will allow us to leave peacefully from the former Yugoslavia, and leave it in a condition where there is hope that the gains we made will be sustained and will be permanent within that country.

As a result, I urge my colleagues to support the second-degree amendment and, in doing so, not only send a signal that we are serious about our departure, a signal that will be sent to the capitals of Europe and to the capitals of the former Yugoslavia that we will be serious about our departure date, but we will not be arbitrary and inflexible. And that, in the interim, we will build a structure of peace and security that will carry on the efforts that were so magnificently undertaken and continue today by our military forces in the former Yugoslavia.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Senator from Michigan for his commitment to this issue and his leadership in this debate and very clear explanation of the situation. I will not oppose the second-degree amendment that he and the Senator from Rhode Island and the Senator from Arizona have proposed. I also wish to compliment the Senator from Rhode Island on his comments, which I think were very appropriate with regard, especially, to the issue of making it absolutely clear throughout all aspects of our Government that it really is our intention to be out of this situation in terms of our ground troops by the end of June 1998.

As Senator LEVIN has described, his second-degree amendment expresses the sense of the Congress that United States ground troops should not participate in a follow-on force in Bosnia and Herzegovina after June of 1998. Of course, I heartily agree with that premise. I believe we have to have a firm end date to our mission in Bosnia. Without it, many of us have said it here on the floor tonight, the mission absolutely risks continuing for who knows how long. There simply is no sign or clue as to when our involvement would end.

Of course, I would have preferred my own hard mandate in my own amendment, which would have cut the purse strings of the Bosnia mission after June 30, 1998. This would have absolutely ensured that United States ground troops would be out of Bosnia by that date. But I am willing to not oppose the change offered by the Senator from Michigan because not only is there more support for the amendment in this form, but because it, again, puts the U.S. Senate on record with respect to its concern about the Bosnia mission.

I am particularly pleased that the Levin amendment includes language urging the President to inform our European allies of this expression of the sense of Congress. This may well be the most important point. It is pretty clear that our allies in the region, our NATO partners, have become dependent on the active participation of the United States in this peacekeeping operation. If I were them, I would not want to do it alone either. But it is my view that if President Clinton lets our allies know immediately and with all candor that U.S. troops will not participate in the mission after next June, then they will begin to think creatively about what our next steps should be in the region.

If the President does not send that message, then our allies and partners will have every reason to believe that the United States will, of course, remain in Bosnia after that date, as we have done already with regard to a number of other deadlines. Why do I say that? Because the last time we had

a deadline for completing the peacekeeping mission, the December 1996 end date for IFOR, the administration was only too quick to let it slip with just a few months left to go on our initial 1-year commitment, the mission got rebaptized as SFOR, and U.S. ground troops were stuck there for what is going to be at least an additional 18 months.

I am aware of the concerns that have been expressed by people like Secretary Albright, Chairman Shalikashvili and Secretary Cohen. In her June 27, 1997 letter to the Senate leadership, Secretary Albright wrote that if legislation mandating a cutoff were to pass, it would ''send exactly the wrong signal to our allies, to the signatories to the Dayton Accords, and to the American people about what American leadership in the world should mean.''

Mr. President, I don't understand this statement. I don't understand this statement in light of the fact that the United States is already on record for wanting to end the military mission on June 30, 1998. How can people be so concerned about the statement sending a signal about that date when that is exactly the signal that the President of the United States has sent?

By telling our European allies about the planned withdrawal date, as the Levin second-degree specifically calls upon the President to do, we can make it clear that our leadership role is there but that our leadership role has limits. In the event of a follow-on force in the region, the Levin amendment suggests that the United States may decide to provide support in the form of command and control, intelligence, logistics and, if necessary, a ready reserve force. I believe this kind of support is more appropriate than the deployment of our men and women to Bosnia.

I am also aware that the Senator from Michigan and the Senator from Oklahoma, Mr. INHOFE, had made an agreement during the Armed Services Committee markup of the bill to resist the temptation to offer Bosnia language in this bill. The issue of when and where we deploy our troops is a tough, emotional and controversial one for all of us. Because of that, I know that the members of the Armed Services Committee would all like to see a longer, more thoughtful debate on Bosnia at some point.

I, too, would like the Congress to have the opportunity to engage in a more extensive debate on the issue. But I also believe, as we consider this legislation, we cannot ignore the Bosnia issue in the very bill that authorizes the activities of the Defense Department. So, in light of the initial hesitation of the Armed Services Committee, I am particularly pleased that Senator LEVIN and I have been able to work together on this issue. I think it is vitally important that in a bill as important as this one, the Senate go on record regarding our mission in Bosnia.

Let me just conclude by saying if, in fact, we are able to pass my amendment, as amended by the Levin amendment, it will mean that both the House and the Senate will be on record on this DOD bill calling for termination of the Bosnia mission no later than June 1998. This should guarantee that this issue will not simply disappear in conference.

I yield the floor.

Mr. SMITH of New Hampshire. Mr. President, I rise today in strong support of the FY98 Defense Authorization bill reported by the Armed Services Committee. This is an excellent piece of legislation, and I want to commend the distinguished Chairman of the Committee, Senator THURMOND, for his tireless efforts to formulate a balanced, constructive defense bill.

Mr. President, the bill before us would add $2.6 billion to the President's budget request for national defense. While I strongly support this increase, I want to emphasize that it will not address all of the deficiencies resulting from the Administration's underfunded defense program. In fact, even with this increase, defense spending in FY98 will be $3.3 billion below this year in real terms. However, in the current budget environment, this $2.6 billion increase was all that we were able to achieve.

As we did last year, the Armed Services Committee spent a good deal of time evaluating our national security requirements and establishing a set of firm priorities to guide our consideration of defense programs for FY98. These priorities included, among other things: ensuring national security and the status of the United States as the preeminent military power; protecting the readiness of our Armed Forces; enhancing the quality of life of military personnel and their families; ensuring U.S. military superiority by continuing to fund a more robust, progressive modernization program for the future; accelerating the development and deployment of missile defense systems; and preserving the shipbuilding and submarine industrial bases.

Mr. President, as I said, the Armed Services Committee established these priorities to guide our investment strategy in the FY98 authorization bill. I am pleased to report that the bill before us embodies these priorities and corrects a number of serious deficiencies contained in the Administration budget request.

For the benefit of my colleagues, I would like to highlight some of the important measures contained in this bill.

The authorization bill reported by the Armed Services Committee: provides a 2.8 percent pay raise for military personnel; increases by $41.5 million spending on research and development for counterproliferation, chemical and biological defense, and counterterrorism programs; increases readiness funding by more than $1 billion in areas such as ammunition procurement, flying hours, force protection, cold weather gear, barracks renovation, and depot maintenance; adds $653 million for reserve force modernization programs; adds $720 million for an additional Arleigh Burke class destroyer; approves the Navy's proposed teaming arrangement for design and production of the New Attack Submarine; authorizes $345 million to accelerate the advance procurement and construction of the next nuclear aircraft carrier; and adds $90 million to procure an additional V–22 aircraft in FY98.

Mr. President, as Chairman of the Strategic Forces Subcommittee, I also want to take this opportunity to outline for my colleagues some of the important initiatives dealing with missile defense, nuclear forces, and Department of Energy programs.

As my colleagues know, Secretary Cohen conducted an extensive analysis of all defense programs, including missile defense, as part of the Quadrennial Defense Review. This analysis confirmed what many of us have long argued—that the Administration's National Missile Defense program is grossly underfunded. In fact, Secretary Cohen determined that the NMD program was underfunded by some $2.3 billion over the future years defense plan, and by a total of $474 million in FY98 alone.

This shortfall of $474 million for National Missile Defense in FY98 proved to be a very big challenge for the Committee to address in its deliberations. And I would be remiss if I did not say to my colleagues that it caused us to have to make some very difficult decisions as we weighed the merits and affordability of many requested programs.

However, I believe that we formulated a very responsible and forward looking package of initiatives in the Strategic Subcommittee. These initiatives include: increasing funding for the Navy Upper Tier program by $80 million; adding $15 million for the Arrow interoperability program; providing an increase of $118 million for the space based laser program; adding $50 million for the Clementine 2 microsatellite program; authorizing $80 million for the kinetic energy anti-satellite program; increasing funding for cruise missile defense programs by $32 million; prohibiting the retirement of certain strategic nuclear delivery systems in FY98 unless the START 2 Treaty enters force; providing $4 billion for weapons activities to maintain the reliability and safety of the enduring nuclear arsenal; and including $5.1 billion for defense environmental restoration and waste management activities.

The bill also includes a provision requiring the Director of Central Intelligence to establish a cadre of experts within the Intelligence Community to work POW/MIA issues. The President has directed that a Special National Intelligence Estimate be prepared on the POW/MIA issue; however, there are no intelligence experts on these issues

currently remaining in the Intelligence Community. This provision does not affect POW/MIA policy or relations with Vietnam. It merely provides the Director of Central Intelligence with total descretion to establish an Intelligence Cell within the community.

Mr. President, these are but a few of the many important initiatives included in this bill. In a more general sense, I want to also offer some observations concerning the current state of our Armed Forces and the course that President Clinton has charted for defense in his second term.

As my colleagues know, I have been critical of the Clinton Administration's penchant for involving our military forces in unorthodox, non-traditional operations. Without question, these peacekeeping and humanitarian relief operations are bankrupting the defense budget and undermining the readiness of America's Armed Forces.

I have also been critical of the so-called Bottom Up Review that was conducted by the Clinton Administration four years ago to guide its defense program. Whether they admit it publicly or not, everyone realizes that this was nothing but a budget driven exercise to tailor our defense forces and strategy to meet a pre-established defense spending level.

I had hoped that in its second term, the Clinton Administration would take a more honest and objective approach to defense programming, and base our national security policy on the threat rather than on budget requirements. Unfortunately, it appears this was wishful thinking.

The Quadrennial Defense Review that was recently released falls into the same trap as the Bottom Up Review. Rather than identifying the threats confronting our security and formulating the force structure, end strength and strategy necessary to counter these threats, the QDR establishes a baseline for defense spending and tailors our defense program to fit that baseline.

I want to make clear that I do not impugn the motives or patriotism of those who worked very hard in the Pentagon to formulate the QDR. They were doing the best they could to balance requirements and resources. But the truth is that the resources they were provided were inadequate to fund the requirements. As a result, the QDR fails to correct the deficiencies of the Bottom Up Review and it fails to provide a credible, threat based strategy for our defense program.

Mr. President, it is also worth mentioning that the days of the so-called ''peace dividend'' and the days of Congressional windfalls for defense are over. In the past 3 years, Congress has added approximately $20 billion to the requested level for defense. But with the recently negotiated budget deal, Congress and the Administration are now locked into agreed-upon defense numbers. There will be no windfall in future years.

In fact, any spending additions requested by members will have to be offset with commensurate spending reductions. From here on out, it will be a zero sum game. I hope my colleagues understand this situation because it will have a very profound effect on the Committee's ability to accommodate member interest requests in the future. We have cut defense to the bone. There is no real growth programmed in the future; only further reductions. We have made our bed, now we must lie in it.

I want to end with a somber warning for my colleagues. It is very simple and straightforward. Contingency operations are bankrupting our defense budget. If we do not reign in the Clinton Administration and curtail its continuing commitments of U.S. military forces for non-military and humanitarian purposes, there will be no money to recapitalize our Armed Forces. There will be no money to purchase DDG–51's, or F–22's, or F/A–18's, or Joint Strike Fighters, or Comanche helicopters, or V–22's, or satellites, or ground vehicles.

If we continue to allow our Armed Forces to be used as a ''911'' emergency force for the United Nations, we will lose our combat readiness, and deplete our investment accounts.

The Bosnia example is a particularly instructive, and particularly disturbing, example of this trend. When President Clinton first committed troops to Bosnia, he assured Congress that the scope of the operation would be limited and the cost of operation would be $1.6 billion. Yet, here we are today, with the price tag of the Bosnia operation having climbed to $7.3 billion and the Secretary of State talking about keeping troops in Bosnia beyond the June 1998 deadline, yet again.

Mr. President, the Administration has asked for two additional rounds of Base Closures, arguing that these closures will enable us to save a few billion dollars. Under the most optimistic forecasts these closures will not even pay for the Bosnia mission. How on Earth can we justify putting America's communities through yet another two rounds of chaos, confusion, anxiety and economic disruption in order to pay the tab for a mission that a majority of them do not support? We have already had four rounds of base closures in seven years. Where does it end?

Let me be frank. I absolutely oppose additional base closures at this time. In 1995, President Clinton completely destroyed the credibility of the Base Closure process by injecting subjective politics into an otherwise objective process. There was no question what the President's motivation was—pure electoral politics. But in the quest to gain more electoral votes, the President disrupted a very fragile consensus. That consensus, in support of shared sacrifice through and objective, transparent process, is now gone. And it is President Clinton who bears responsibility for that.

I would hasten to add, however, that even if we were to ignore the politicization of the Base Closure process, the arguments in favor of more closures are specious. It has yet to be demonstrated that we have saved a single penny on the four previous rounds of closures. In fact, we continue to spend exorbitant amounts to close, realign, and remediate bases. While the Department assures us that we will save vast sums of money one day, that day doesn't seem to be anywhere in the near future. We are spending a lot more right now to close bases than we are recouping in operations and maintenance savings.

Unless and until the President can convince Congress and the American people that politics have been eliminated from the process, and that previous closures are demonstrably producing savings, I will not support additional base closures. Undoubtedly, this issue will be debated further on the floor and conference, and I look forward to playing an active role in these discussions.

Mr. President, I want to close by again thanking the distinguished Chairman of the Armed Services Committee for his outstanding leadership in formulating this bill. I know there has been a great deal of praise heaped upon the senior Senator from South Carolina recently in connection with his record for service in the Senate. It is richly deserved. He is a man of utmost integrity and a tremendous inspiration to all of us who aspire to have a lasting impact on this institution. I am proud to serve with him on the Armed Services Committee, and pleased to support this legislation.

I thank the Chair, and yield the floor.

U.S. AIR FORCE REENTRY VEHICLE APPLICATIONS PROGRAM

Ms. SNOWE. Mr. President, the United States Air Force Reentry Vehicle Applications Program has been providing critical technologies required for the manufacture of reentry vehicles and components. Of special note is the meaningful program with both the prime and the sub-tier suppliers for the Mark 21 reentry vehicle. Funding for this program has advanced reentry vehicle technologies while sustaining the critical industrial base required to develop such technologies.

Mr. SMITH of New Hampshire. Mr. President, I would like to join my colleague, Senator SNOWE, in recognizing the work that has been ongoing in the Air Force Reentry Vehicle Applications Program. As is the case of any technology program, procurement decisions require careful analysis of life-cycle costs and performance tradeoffs to ensure that military requirements are met with the funding constraints that face the Department of Defense.

Ms. SNOWE. Mr. President, I fully agree with my colleague, Senator SMITH, and most strongly agree with his view on the Reentry Vehicle Application Program. Unfortunately, quantitative data to support such cost and

performance tradeoffs are not always readily available. This information is especially important as the Congress considers funding for this and other programs. I am concerned that sufficient emphasis is not being placed on this critical program to sustain the technology base to conduct advance material studies which will sustain key technical staff, as well as fabrication capabilities and technologies.

Mr. SMITH of New Hampshire. Mr. President, I too am concerned that these technologies be advanced, and suggest that a review of the technology base of supplier for both the materials and the components, such as the carbon/carbon nosetips presently used on the Mark 21 reentry vehicle, be conducted.

Ms. SNOWE. Thank you, Mr. President, and I thank my colleague from New Hampshire, Senator SMITH; for joining me in discussing this issue. I urge the conferees for the Fiscal Year 1998 National Defense Bill to further consider this subject.

SEXUAL HARASSMENT ACCOUNTABILITY

Ms. SNOWE. Mr. President, this body has few greater responsibilities than maintaining the effectiveness and accountability of our Nation's Armed Forces. This is one of the reasons that reports of widespread sexual harassment in our Nation's military deeply concerns us all. With Department of Defense statistics showing that sexual harassment is prevalent throughout the Armed Forces—we must do more than pay lip service to the problem. Mr. President, we must act.

Today, with a full understanding that the time has come for serious action that is responsible and constructive, a provision that I authored was added to the 1998 defense authorization bill that will place us on the road to solving the crisis of sexual harassment. The legislation attacks the root of the problem—the lack of accountability when it comes to reporting and investigating incidents of sexual harassment.

The Department of Defense conducted a survey in 1988 and found that 64 percent of women reported that they had experienced one or more incidents of sexual harassment in the 12 months preceding the survey. The Defense Department conducted another study in 1995 and found that the figure had only improved to 55 percent. I feel very strongly, Mr. President, that this is not progress. When I look at those statistics, I am shocked.

On top of this, I have read in DOD statements that many cases of sexual harassment go unreported. In the 1995 Defense Department survey, only 24 percent of the victims chose to report their sexual harassment experiences. Is this the kind of environment to which we should subject our people? These numbers tell me that women essentially stand a 50–50 chance of being harassed. This cannot and should not be tolerated. Add to that the fact that over three-fourths of our people do not feel they can report the harassment that occurs and you have a very negative set of circumstances. How can you maintain good order and discipline in such an environment? This situation demands accountability. And it requires action to erase any perception that sexual harassment is tolerated in today's Armed Forces. Today, military members do not believe they can report sexual harassment and have their claims taken seriously.

During Armed Services Committee markup of the defense authorization bill, I offered an amendment that requires the unit commander to report each and every sexual harassment incident to their next senior officer within 72 hours. Once reported, the unit commander appoints an investigating officer to investigate the complaint of sexual harassment. The unit commander has 14 days to report back to their commander with the results of the investigation. If the unit commander cannot complete the investigation within 14 days, that commander must report the interim results, every 14 days, until the investigation has been completed.

Today when an incident is reported to a unit commander, the commander is not required to report the incident until a preliminary investigation recommends disciplinary action. This gives the unit commander tremendous latitude as to how the case is handled. In most instances this is a not a problem. But look what we saw at Aberdeen. We saw a company commander who was a bad apple and no bells or whistles to alert his superiors that there was a problem. Under the provisions of the national defense authorization bill each incident is immediately brought to the attention of a more senior officer. The most distinct advantage of this provision is that the decibel level of the problem rises by elevating the matter to the highest echelons of the services.

The provision also requires that the senior officers who receive these reports of sexual harassment forward all the complaints they receive and the results of the investigations of those complaints to their respective Service Secretary by January 31 of each year, elevating the problem another notch within the military to the authors of the services' zero tolerance policies where they can be scrutinized. The Service Secretaries are then required to forward this information to the Secretary of Defense who in turn must report the information to Congress.

Mr. President, this provision was unanimously approved by the Armed Services Committee and will put us on the road to help end sexual harassment in our military. We owe the men and women who serve our Nation an environment that includes accountability, good order, and discipline. But we also owe this to our Nation, which relies on our military to defend our great country and its interests.

CARBONIZABLE RAYON FIBER

Mr. FRIST. Mr. President, I rise today to bring my colleagues' attention to an issue affecting American jobs and national security issues. The Department of Defense uses approximately 500,000 pounds of carbonizable rayon fiber per year in its many missile programs as a solid rocket fuel. The sole domestic supplier of carbonizable rayon fiber is the North American Corporation in Elizabethton, Tennessee.

It is my fear that if the Department of Defense does not plan for the long-term viability of its domestic supplier of carbonizable rayon the North American Corp. will simply go out of business and put 400 people out of work.

Mr. SANTORUM. Could I interrupt the Senator from Tennessee and ask where the Department of Defense would turn for carbonizable rayon fiber in the future?

Mr. FRIST. If the North American Corp. goes out of business it is my understanding that the Department of Defense would be forced to depend on less reliable foreign suppliers, probably in Mexico or Asia. Further, it is my understanding that there is a lengthy and expensive process to qualify new suppliers that can take at least 3 years and possibly cost millions of dollars.

Mr. SANTORUM. It is my understanding that the Department of Defense has procured its identified requirement for this material.

Mr. FRIST. That is correct, but as you know it is always difficult to adequately identify future requirements as the lifecycle of our many current programs is extended and especially in consideration of the emerging technologies where carbonizable rayon fiber could be applied.

Mr. SANTORUM. It seems to me that the Senator from Tennessee has raised several important concerns. The Department of Defense clearly has a responsibility to fully review each of its programs using carbonizable rayon fiber and make certain it has planned for future needs before allowing the Nation's only domestic supplier to go out of business.

Mr. FRIST. Thank you, Mr. President, and I thank my colleague for joining me in discussing this important issue. I enjoin the conferees for the fiscal year 1998 national defense authorization bill to further consider this subject.

COMMISSION ON GENDER INTEGRATION IN THE MILITARY

Mr. BYRD. Mr. President, the recent scandals and confusion concerning gender relations in our armed forces demonstrate a clear need to review the experiences, practices, regulations and laws regarding these matters as soon as possible. The nation has been treated to a range of incidents and official responses, from the cases of abuse of authority at the Aberdeen training facility and other military bases in the nation, to the controversy over the

treatment of Air Force First Lieutenant Kelly Flinn, and that of flag officers in the different services. A comprehensive independent review is needed on the full range of these issues, and I am pleased that the Armed Service Committee adopted a proposal of mine, which was co-authored by Senators KEMPTHORNE and CLELAND, of the personnel subcommittee, and supported by the full Committee, to establish an independent commission to work on this matter.

The commission proposal is included as Section 552 of the bill. In summary, the provision establishes an 11 member commission to study issues related to gender integration. All of the commission's members would be appointed by the Senate. They would be chosen from among private citizens with knowledge of these matters—at least two from academia, at least four former military members, and at least two members of the reserve components. The duties of the Commission include (a) reviewing the current practices of the Armed Forces, as well as relevant studies and private sector training concepts regarding gender-integrated training; (2) reviewing the laws, regulations, policies, directives, and practices that govern personal relationships between men and women in the armed forces; (3) assessing the extent to which those laws, regulations and policies have been applied consistently throughout the Armed Forces without regard to service, grade, or rank of the individuals involved; (4) providing an independent assessment of the reports of the various bodies that the Secretary of Defense has established to look into these matters; and (5) examining the experiences, policies and practices of the armed forces of other industrialized nations regarding gender-integrated training. An initial report of the Commission is due on April 15, 1998, and a final report by September 16, 1998, with findings and any legislative and other recommendations the Commission deems necessary. These dates were selected to allow the second session of this Congress time to act, if it wishes, on any recommendations that the Commission might provide.

Mr. President, clearly we are in the middle of a national debate on gender relations and on general conduct in the services, and the work of this independent commission to review the main issues which have arisen seems urgent, and I hope will be of use to the Senate and to the nation. I also hope that all of us will keep our eye on the goal of producing the most effective, combat-ready, disciplined and tough fighting force that the nation can field. I believe that effectiveness, discipline, unit cohesion and morale must not ever take a second place to any other goal, since the premier responsibility of the military is the national security of our nation.

I again thank the committee for its strong support of my proposal, and I hope that the commission can be put into place as soon as possible after the Congress has completed its work on this bill and it has been signed into law.

Mr. DASCHLE. Mr. President, I would like to thank Senator THURMOND, the chairman of the Senate Armed Services Committee, Senator LEVIN, the ranking member of the committee, and our other colleagues who serve on the panel for their hard work and the bipartisan approach they took to the fiscal year 1998 Department of Defense (DOD) Authorization bill. Although I am generally pleased with the committee's work, there are several provisions in the defense bill of great concern to me.

I am particularly disturbed by the committee's initial decision to cut the Cooperative Threat Reduction [CTR] Program as well as the Department of Energy's [DOE] Materials Protection Control and Accounting [MPC&A] Program and the International Nuclear Safety Program by a total of $135 million from the Administration's budget request. Together, these three programs are essential to U.S. non-proliferation efforts and are critical to protecting the United States from weapons of mass destruction. These vital programs help Russia and other former Soviet Republics destroy nuclear, chemical and other weapons of mass destruction. In addition, they assist Russia in developing and deploying security measures to safeguard their remaining nuclear materials. Moreover, they help make much-needed improvements to Soviet-designed nuclear powerplants in Russia and the New Independent States.

Senators LUGAR and BINGAMAN offered an amendment that will rectify what I think was a very shortsighted decision. Specifically, the amendment will restore $60 million to the CTR Program, $25 million to the MPC&A Program, and $50 million to the International Nuclear Safety Program. These programs have long received bipartisan support, and I am pleased the Senate adopted the Lugar-Bingaman amendment last night. Although many Members have already discussed the CTR Program, the MPC&A Program, and the International Nuclear Safety Program in detail, I would like to explain why I strongly believe each should be fully funded.

The CTR Program, which is also known as the Nunn-Lugar program for its chief sponsors in the Senate, was established in 1991 in an effort to reduce the threat to the United States from weapons of mass destruction. I believe the authors of this important legislation rightly concluded that the spread of these weapons represents the greatest threat to U.S. national security in the post-cold war era. Through this program, the United States has provided much-needed assistance to Russia and other former Soviet republics to destroy nuclear, chemical, and other weapons. In addition, the CTR Program has helped establish verifiable safeguards against proliferation of these weapons and fissile materials and to facilitate demilitarization of defense industries and defense conversion activities in the former Soviet Union.

Since its inception, the CTR Program has significantly helped reduce the threat to the United States from weapons of mass destruction. With this program's assistance, Belarus, Ukraine and Kazakstan became nonnuclear states, and approximately 3,400 strategic warheads have been withdrawn from those three New Independent States to Russia. In addition, more than 1,500 nuclear warheads have been deactivated, and approximately 930 deployed launchers and bombers in Russia, Belarus, Ukraine and Kazakstan have been destroyed.

Despite the CTR Program's many accomplishments, more weapons of mass destruction have yet to be destroyed, and more needs to be done to further reduce the threat to the United States from these weapons. The President has requested $382 million for the CTR Program in fiscal year 1998. This funding will be used for a number of programs, all designed to eliminate the threat Russian nuclear weapons pose to the United States.

For example, $78 million will support the Russian elimination of ICBM's, silo launchers, Submarine Launched Ballistic Missile [SLBM] launchers and bombers and $77 million will be used to assist the Ukraine eliminate SS–19 ICBM's, silos and launch control facilities. Seven million dollars will provide safe and secure storage containers for fissile materials from dismantled nuclear weapons. Thirty-six million dollars will be used to provide comprehensive security enhancements for nuclear weapons storage sites in Russia. And $55 million will help design and build a chemical weapons destruction facility in Russia. Full funding is critical to U.S. plans to continue implementing these initiatives. Before the Lugar-Bingaman amendment was accepted, however, the fiscal year 1998 DOD Authorization bill had called for the CTR Program to be cut by $60 million in fiscal year 1998.

The Department of Energy's [DOE] Materials Protection Control and Accounting Program is a similarly worthy program. It assists Russia, the New Independent States, and the Baltic States in their efforts to strengthen materials protection, control, and accountability of materials used in nuclear weapons. To date, DOE has helped establish 18 sites in Russia, the New Independent States, and the Baltic states to safeguard plutonium and uranium weapons material. Moreover, agreements are in place to enhance the safety and security at over 30 additional sites. This program is critical to U.S. efforts to prevent the theft of weapons-usable fissile materials, plutonium and highly enriched uranium.

Although DOE has already helped secure hundreds of tons of nuclear weapons materials, the overwhelming majority of material is still poorly secured. Consequently, the administration is requesting that the MPC&A Program be increased by $25 million in fiscal year 1998. This funding request is necessary for U.S. plans to continue implementing this program. Before the Lugar-Bingaman amendment was accepted, however, the fiscal year 1998 Defense Authorization bill had called for the MPC&A Program to continue to be funded only at fiscal year 1997 levels.

The administration's budget request also includes $50 million for the International Nuclear Safety Program. This program, which is also operated by DOE, helps to make improvements to Soviet-designed nuclear powerplants in Russia and the New Independent States. By helping these countries implement desperately needed safety measures, this program helps reduce the risk of another Chernobyl nuclear power reactor disaster. Again, full funding is critical to U.S. plans to continue implementing these initiatives. Again, before the Lugar-Bingaman amendment was accepted, the fiscal year 1998 Defense Authorization bill would have prevented the Pentagon from providing any funds to the International Nuclear Safety Program in fiscal year 1998.

The fiscal year 1998 DOD Authorization bill before the Senate provides $268.2 billion in budget authority for the DOD and the national security programs at DOE. This is $2.6 billion beyond the level the President initially requested. In addition, the bill includes $3.6 billion for ballistic missile defense purposes and more than $5 billion for weapons systems not originally requested by the Pentagon. Considering those facts, it is inconceivable to me that the Senate would cut the CTR Program, the MPC&A Program and the International Safety Program by $135 million.

Mr. President, these three programs are critical to our efforts to protect the United States from weapons of mass destruction. Unlike ballistic missile defense, the CTR Program, the MPC&A Program and the International Safety Program have already produced results and caused the destruction of Russian nuclear weapons. Simply put, they make our world safer. I am pleased that the Senate adopted the Lugar-Bingaman amendment last night, and I commend my colleagues on the Senate Armed Services Committee for rectifying what would have been a tragic mistake.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I think the time has come now that the distinguished ranking member and myself clear what amendments are cleared on both sides. Then I am prepared to proceed to wrap up, and we can close the Senate down.

Mr. President, I suggest the absence of a quorum. I hope this quorum will not exceed 2 to 3 minutes.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGENT CALL FOR RESTORATION OF DEMOCRACY IN CAMBODIA

Mr. BIDEN. Mr. President, I rise to express my deep concern about the brutal subversion of democracy underway in Cambodia. I urge the administration to condemn the action for what it is: A bloody coup d'etat perpetrated by co-Prime Minister Hun Sen and his Cambodian People's Party.

The administration today announced it was suspending for 30 days all assistance provided to the Cambodian Government. All such assistance, including loans provided by the World Bank and other international financial institutions, should remain suspended until the democratically elected Government of Cambodia is restored.

Programs implemented through nongovernmental organizations—efforts supporting the rule of law, public health, prosthetics for mine victims, et cetera—should be reviewed to determine which ones can continue in light of recent events.

I applaud the decision taken by the Association of Southeast Asian Nations [ASEAN] to delay Cambodia's membership in that organization. Cambodia's neighbors are under no illusions that Cambodia today is prepared to be a responsible member of the international community.

BACKGROUND

A few weeks ago, Cambodia seemed poised to close the book on a bloody chapter of its history by bringing the genocidal Khmer Rouge Leader Pol Pot to justice. But now Hun Sen threatens to plunge the country back into darkness and civil war.

Dozens of people have been killed. There are reports of mass arrests and looting in the Capital of Phnom Penh. Prince Ranariddh's supporters have been expelled from the legislative assembly. Interior Minister, and Ranariddh loyalist, Ho Sok reportedly has been executed while in the custody of government troops.

For the long-suffering people of Cambodia—victims of ''the killing fields''—Hun Sen's unconstitutional action is a painful blow to their quest for democracy, reconciliation, and national reconstruction. That quest seemed achievable in October 1991 when—after 12 years of civil war—Cambodia's warring factions and all of the foreign parties who had played a role in the Cambodian conflict signed the Paris peace accords. Vietnam withdrew its army from Cambodia and the United Nations established the U.N. Transitional Authority for Cambodia [UNTAC].

UNTAC's primary goal was to oversee the creation of a democratic, internationally recognized government in Phnom Penh. UNTAC was the largest, most comprehensive, and most expensive peacekeeping operation in the history of the United Nations. More than 12,000 troops, 4,000 civil police, and 20,000 civilian workers and volunteers from more than 50 countries poured into Cambodia.

UNTAC supervised the return of more than 400,000 refugees from Thailand and the registration of 5 million eligible voters. The operation cost more than $1.7 billion, with an additional $2 billion pledged by international donors to fund reconstruction of the war-torn country.

In May 1993, Cambodia experienced its first free and fair multiparty election. Despite terrorist threats from the Khmer Rouge—who refused to participate in the election and shelled some polling places—90 percent of registered voters came to the polls.

The incredible turnout was a testimony to the enthusiasm of the Cambodian people for democracy and their desire for peace.

Prince Ranariddh's party won those elections. Hun Sen's party came in second. But when Hun Sen disputed the results and threatened to plunge the country back into civil war, King Sihanouk, with the blessing of the international community, fashioned a compromise.

A coalition government was established, with Prince Ranariddh and Hun Sen serving as co-Prime Ministers. They jointly administered Cambodia until Hun Sen's coup d'etat last weekend.

The coalition was never an easy one. In recent months, relations between the two Prime Ministers had become increasingly strained as both began jockeying for position in the runup to national elections scheduled for 1998.

The disintegration of the Khmer Rouge actually exacerbated the tension between the two major parties, as each sought the political and military support of the breakaway Khmer Rouge elements.

Now the tensions have flared into open conflict. The question for the friends of democracy in Cambodia is how to respond.

Our first priority must be to ensure the safety of more than 1,000 American citizens—including our diplomatic and military personnel.

Our very able Ambassador in Phnom Penh, Ken Quinn, has acted with courage and professionalism to provide a

safe haven for Americans and to assist those seeking to leave the country. Thailand has been enormously helpful by providing aircraft to transport Americans and other foreigners out of Cambodia, and I want to express my personal thanks to the Royal Thai Government and the people of Thailand for their asssistance.

RESTORING DEMOCRACY

Mr. President, I fear that putting Cambodia back on the democratic path will prove difficult. The international community is not likely to fund a second UNTAC. The future of Cambodia is largely in the hands of the Cambodian people.

But the world must not turn its back on Cambodia.

At a time when pluralism and democracy are generally expanding in Asia, we should not condone the unconstitutional use of force to oust a legitimately elected government. As the world knows from recent history, political instability in Cambodia threatens the peace and security of all of Southeast Asia.

It is in the interest of the United States and all of our friends and allies in the region to seek a peaceful resolution of the conflict consistent with the spirit of the Paris peace accords. As my colleague, Senator MCCAIN urged this body yesterday, we must remain engaged and stand ready to do our part.

The tragic political violence occurring today in Cambodia is proof that one election does not make a democracy. In many respects, it is the second election—the peaceful transfer of power from one administration to the next—that is the miracle of democratic governance.

In the United States, we have the opportunity to experience that miracle every 4 years. In Cambodia, the second election, scheduled for 1998, is in jeopardy. The quest of the Cambodian people is endangered.

I urge Hun Sen to abandon the path of violence and subordinate his own ambitions to the will of the Cambodian people and their dream of peace. I hope and pray that Hun Sen and Prince Ranariddh will heed King Sihanouk's call and find a way to settle their differences through the ballot box rather than the barrel of a gun.

NOMINATION OF ERIC H. HOLDER JR. TO BE DEPUTY ATTORNEY GENERAL

Mr. LEAHY. Mr. President, it was with concerted effort that Senator HATCH and I worked to ensure that Eric Holder was reported by the Judiciary Committee and ready for Senate confirmation to the important position of Deputy Attorney General of the United States before the Senate adjourned 2 weeks ago. The President's nomination of Mr. Holder to the second highest position at the Department of Justice was reported to the Senate without a single dissent on June 24. This nomination could and should have been approved by the Senate before it adjourned for the last extended recess. It is strongly supported by Senator HATCH, the chairman of the Judiciary Committee.

There was and is no Democratic hold on this nomination. The delay on the Republican side in considering this nomination remains unexplained.

Eric Holder has proven his dedication to effective law enforcement. As a former prosecutor myself, I appreciate Mr. Holder's distinguished career in law enforcement.

Shortly after his graduation from Columbia Law School, Mr. Holder joined the Department of Justice as part of the Attorney General's Honors Program. He was assigned to the newly formed Public Integrity Section in 1976, where he worked for 12 years investigating and prosecuting corruption.

While at the Public Integrity Section, Mr. Holder participated in a number of prosecutions and appeals involving such defendants as the State treasurer of Florida, a former Ambassador to the Dominican Republic, a local judge in Philadelphia, an assistant U.S. attorney in New York City, an FBI agent, and a capo in an organized crime family. He received a number of awards for outstanding performance and special achievement from the Department of Justice.

In 1988, President Reagan nominated and the Senate confirmed Mr. Holder to be an Associate Judge of the Superior Court of the District of Columbia, where he served for the next 5 years. In his 5 years on the bench, Judge Holder presided over hundreds of criminal trials.

In 1993, President Clinton nominated and the Senate confirmed Eric Holder to the important post of U.S. Attorney for the District of Columbia. As U.S. attorney for one of the largest U.S. Attorney's offices in the Nation, Mr. Holder has supervised 300 lawyers involved in criminal, civil and appellate cases. He has functioned as both the local district attorney and the Federal prosecutor.

He has been active in community affairs. For more than a decade, he has been a member of Concerned Black Men, an organization seeking to help young people in the District of Columbia. He is involved in a number of the group's activities, including the Efficacy Program and the pregnancy prevention effort. He has participated in the D.C. Street Law Program and is active in the See Forever Foundation and the National Foundation for Teaching Entrepreneurship. He is cochair of Project PACT to reduce youth violence and has been instrumental in the U.S. attorney's office's outreach efforts to the D.C. community.

In 1994, he received the Pioneer Award from the National Black Prosecutors Association. In 1995, his contributions were recognized when he received awards from the District of Columbia Bar Association, the Greater Washington Urban League, the American Jewish Congress, and Phi Beta Sigma fraternity. Last year, he received awards from the D.C. Chapter of the National Organization of Black Law Enforcement Executives, George Washington University, Columbia College, the Federation of Citizens Associations of the District of Columbia, Omega Psi Phi fraternity, the Brotherhood of Shiloh Men, McDonald's, and the Asian Pacific Bar Association.

I urge the Republican leadership to move forward without further delay and confirm the nomination of Eric Holder to be Deputy Attorney General.

JUDICIAL VACANCIES

Mr. LEAHY. Mr. President, I last spoke to the Senate about the crisis being created by our failure to move forward expeditiously to fill longstanding judicial vacancies on June 26, the day before we left on our most recent recess. I pointed out then that we had the opportunity literally to double judicial confirmations for the year from 5 to 10 by taking up and approving the five judicial nominees on the Senate Executive Calendar. In spite of the noncontroversial nature of these nominees and their likely confirmation, the Republican leadership refused to consider them.

As the Senate returns from another extended recess we enter July having found time to confirm only 6 Federal judges of the 39 nominees the President has sent to us. That remains a confirmation rate of less than one judge per month. We continue to fall farther and farther behind the pace established by Senator Dole and Senator HATCH in the last Congress. By this time 2 years ago, Senator HATCH had held six confirmation hearings involving 26 judicial nominees and the Senate had proceeded to confirm 26 Federal judges by the end of June—during one of the busiest periods ever, during the first 100 days of the Republicans' ''Contract with America.''

I have spoken often about the crisis being created by the 100 vacancies that are being perpetuated on the Federal courts around the country, as has the Chief Justice of the United States. At the rate that we are currently going more and more vacancies are continuing to mount over longer and longer times to the detriment of greater numbers of Americans and the national cause of prompt justice.

There are four highly-qualified judicial nominees on the Senate calendar, another five district court nominees who were the subject of a confirmation hearing on June 25 but who have yet to receive attention from the Judiciary Committee, and another 24 nominees for whom the committee has yet to schedule a hearing or consideration.

That judges were held hostage to the resolution of other nomination disputes was a shame. I had urged the Republican leadership not to use the judiciary as a political pressure point or to

involve the judiciary in disagreement over other matters, but they chose to act otherwise.

I would hope that the Senate would move to confirm these four additional judges on its calendar without further delay this week. Three of them had their confirmation hearing back in early May and have been on the Senate calendar without action for more than 6 weeks. The other had a confirmation hearing back in March, and was reported for a second time almost 1 month ago.

The Republican leadership chose to single out only one judicial nominee for a unanimous consent request and approval before the most recent recess. Over the break I took the trouble to review the record on that nominee to see whether it held a clue regarding why that particular nominee, as opposed to the other qualified nominees, had been singled out for special attention.

Nominated by the President on February 12 of this year, Alan Gold is set to fill a vacancy that was created on the District Court for the Southern District of Florida on November 30, 1996, when Judge Gonzalez took senior status. His is the only vacancy remaining on that Court and it has existed for less than 7 months. He was included in a confirmation hearing on May 7 and reported by the Judiciary Committee 2 weeks later.

As I have said before, it should not take more than 4 months to consider a judicial nominee and the Gold nomination and its treatment should serve as the standard by which we measure the Senate's treatment of other nominees. Although it should represent the normal process, it is the exception this year.

He has a commendable background but so do the other nominees for judicial appointment. In reviewing the file, I see that Judge Gold was rated well qualified by the ABA. Given Senator HATCH's speech condemning the influence of the ABA and its ratings in our confirmation process, I doubt that explains his prompt confirmation. Eric Clay was also rated well qualified for his Sixth Circuit nomination and he was held back on the calendar. William Fletcher, James Beatty, Margaret MeKeown, Marjorie Rendell, Richard Lazzara, Margaret Morrow and others have likewise received the ABA's highest rating and have not seen their nominations expedited.

In reviewing his confirmation hearing and the answers to the written questions that followed, I see that he singled out for criticism the case of Griswold versus Connecticut, which affirmed a privacy right guaranteed by the Constitution, and listed as the book that has most influenced his view of the law ''The Tempting of America'' by Robert Bork. My fear is that this confirmation reflects a litmus test being imposed by the Republican majority and that is why they singled out this nomination for expedited treatment. I hope that is not so.

I hope that nominees are not being forced to swear allegiance to Robert Bork instead of the Constitution of the United States in order to be confirmed. I hope that a nominee can uphold the important privacy rights that the Supreme Court has recognized to be constitutionally based and still be confirmed. I would like to believe that there is a neutral, alternative explanation for the treatment of this nomination relative to the others and that no Senator is imposing an ideological litmus test on judicial nominations.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 9, 1997, the Federal debt stood at $5,359,038,067,462.61. (Five trillion, three hundred fifty-nine billion, thirty-eight million, sixty-seven thousand, four hundred sixty-two dollars and sixty-one cents)

One year ago, July 9, 1996, the Federal debt stood at $5,151,107,000,000. (Five trillion, one hundred fifty-one billion, one hundred seven million)

Five years ago, July 9, 1992, the Federal debt stood at $3,972,301,000,000. (Three trillion, nine hundred seventy-two billion, three hundred one million)

Ten years ago, July 9, 1987, the Federal debt stood at $2,320,130,000,000. (Two trillion, three hundred twenty billion, one hundred thirty million)

Fifteen years ago, July 9, 1982, the Federal debt stood at $1,077,779,000,000 (One trillion, seventy-seven billion, seven hundred seventy-nine million) which reflects a debt increase of more than $4 trillion—$4,281,259,067,462.61 (Four trillion, two hundred eighty-one billion, two hundred fifty-nine million, sixty-seven thousand, four hundred sixty-two dollars and sixty-one cents) during the past 15 years.

HONORING THE LANCASTERS ON THEIR 37TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data are undeniable: Individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of ''till death us do part'' seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Janice and Bill Lancaster of Grandview, MO, who on July 23, 1997, will celebrate their 37th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. The Lancasters' commitment to the principles and values of their marriage deserves to be saluted and recognized.

RETIREMENT OF BRIGADIER GENERAL DAVID ''BULL'' E. BAKER, USAF

Mr. McCAIN. Mr. President, ''Patriot'' is a word best grasped through example: a life lived or service rendered in defense of our country's interests and values. I rise today to recognize an Air Force officer whose service to this nation offers us a splendid example of patriotism.

Brigadier General David ''Bull'' E. Baker will soon retire from the U.S. Air Force. Duty and sacrifice have been the standards of an exemplary career that has bridged our Nation's most recent conflicts. Bull Baker flew for his country in the skies over Southeast Asia, northern Europe and Iraq. Over Cambodia his OV–2A was shot down and he was held a prisoner of war by the Viet Cong. In February 1973, General Baker became the only United States Air Force prisoner repatriated from Cambodia.

By all accounts, Bull Baker is an exceptional pilot. He was one of the first F–15 Eagle pilots as well as the flight commander for the Air Force's first female jet pilots. During Operation Desert Storm, General Baker flew 21 combat missions in the F–15E Strike Eagle.

This experience as a pilot and a commander has helped him excel in his current position. As the National Reconnaissance Office's Deputy Director for Military Support, General Baker ensures that our intelligence satellites are there to support military commanders. Some 4,000 flying hours and the force of his personality have proven far more formidable than any bureaucratic obstacle, and he has been able to provide our warfighters a unilateral advantage through timely, critical intelligence. Our military forces' ability to successfully execute complex, simultaneous operations from Bosnia, to the Middle East, and to the west coast of Africa is a testament to General Baker's ability and dedication.

In Bull Baker's career and accomplishments, a word overshadows a thousand pictures. He has placed integrity first, offered service before self, and excelled in all he was called to do. I ask my colleagues to join me in recognizing a patriot.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a treaty and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:58 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate.

H.R. 858. An act to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management plans for these national forests to consider the incorporation of these resource management activities.

At 4 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House: For consideration of the House bill, and the Senate amendment, and modifications committee to conference: Mr. KASICH, Mr. ARCHER, Mr. CRANE, Mr. THOMAS, Mr. ARMEY, Mr. DELAY, Mr. MCDERMOTT, Mr. RANGEL, Mr. STARK, and Mr. MATSUI.

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of sections 702 and 704 of the Senate amendment, modifications committee to conference: Mr. SHUSTER, Ms. MOLINARI, and Mr. OBERSTAR.

As additional conferees from the Committee on Education and the Workforce, for consideration of sections 713–14, 717, 879, 1302, 1304–5, and 1311 of the Senate amendment, and modifications committed to conference: Mr. GOODLING, Mr. FAWELL, and Mr. PAYNE.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2015) to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

For consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. KASICH, Mr. HOBSON, Mr. ARMEY, Mr. DELAY, Mr. HASTERT, Mr. SPRATT, Mr. BONIOR, and Mr. FAZIO.

As additional conferees from the Committee on Agriculture, for consideration of title I of the House bill, and title I of the Senate amendment, and modifications committed to conference: Mr. SMITH of Oregon, Mr. GOODLATTE, and Mr. STENHOLM.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the House bill, and title II of the Senate amendment, and modifications committed to conference: Mr. LEACH, Mr. LAZIO, and Mr. GONZALEZ.

As additional conferees from the Committee on Commerce, for consideration of subtitles A–C of title III of the House bill, and title IV of the Senate amendment, and modifications committed to conference: Mr. BLILEY, Mr. SCHAEFER of Colorado, and Mr. DINGELL.

As additional conferees from the Committee on Commerce, for consideration of subtitle D of title III of the House bill, and subtitle A of title III of the Senate amendment, and modifications committed to conference: Mr. BLILEY, Mr. TAUZIN, and Mr. DINGELL.

As additional conferees from the Committee on Commerce, for consideration of subtitles E and F of title III, titles IV and X of the House bill, and divisions 1 and 2 of title V of the Senate amendment, and modifications committed to conference: Mr. BLILEY, Mr. BILIRAKIS, and Mr. DINGELL.

As additional conferees from the Committee on Education and the Workforce, for consideration of subtitle A of title V and subtitle A of title IX of the House bill, and chapter 2 of division 3 of title V of the Senate amendment, and modifications committed to conference: Mr. GOODLING, Mr. TALENT, and Mr. CLAY.

As additional conferees from the Committee on Education and the Workforce, for consideration of subtitles B and C of title V of the House bill, and title VII of the Senate amendment, and modifications committed to conference: Mr. GOODLING, Mr. MCKEON, and Mr. KILDEE.

As additional conferees from the Committee on Education and the Workforce, for consideration of subtitle D of title V of the House bill, and chapter 7 of division 4 of title V of the Senate amendment, and modifications committed to conference: Mr. GOODLING, Mr. FAWELL, and Mr. PAYNE.

As additional conferees from the Committee on Government Reform and Oversight, for consideration of title VI of the House bill, and subtitle A of title VI of the Senate amendment, and modifications committed to conference: Mr. BURTON, Mr. MICA, and Mr. WAXMAN.

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of title VII of the House bill, and subtitle B of title III and subtitle B of title VI of the Senate amendment, and modifications committed to conference: Mr. SHUSTER, Mr. GILCHREST, and Mr. OBERSTAR.

As additional conferees from the Committee on Veterans Affairs, for consideration of title VIII of the House bill, and title VIII of the Senate amendment, and modifications committed to conference: Mr. STUMP, Mr. SMITH of New Jersey, and Mr. EVANS.

As additional conferees from the Committee on Ways and Means, for consideration of subtitle A of title V and title IX of the House bill, and divisions 3 and 4 of title V of the Senate amendment, and modifications committed to conference: Mr. ARCHER, Mr. SHAW, Mr. CAMP, Mr. RANGEL, and Mr. LEVIN.

As additional conferees from the Committee on Ways and Means, for consideration of titles IV and X of the House bill, and division 1 of title V of the Senate amendment, and modifications committed to conference: Mr. ARCHER, Mr. THOMAS, and Mr. STARK.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 858. An act to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management plans for these national forests to consider the incorporation of these resource management activities; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2435. A communication from the Lieutenant General, USA Director, Defense Security Assistance Agency, Department of Defense, transmitting, pursuant to law, a report relative to disaster relief in Rwanda; to the Committee on Foreign Relations.

EC–2436. A communication from the Assistant Secretary of Legislative Affairs, U.S. Department of State, transmitting, pursuant to law, a proposed license for defense equipment under the Arms Export Control Act; to the Committee on Foreign Relations.

EC–2437. A communication from the Assistant Secretary of Legislative Affairs, U.S. Department of State, transmitting, pursuant to law, a proposed license for the export of defense articles under the Arms Export Control Act; to the Committee on Foreign Relations.

EC–2438. A communication from the Assistant Secretary of Legislative Affairs, U.S. Department of State, transmitting, pursuant to law, a proposed Manufacturing License Agreement with a Romanian company; to the Committee on Foreign Relations.

EC–2439. A communication from the Assistant Secretary of Legislative Affairs, U.S. Department of State, transmitting, pursuant to law, a proposed license for the export of defense articles to Germany; to the Committee on Foreign Relations.

EC–2440. A communication from the Assistant Secretary of Legislative Affairs, U.S. Department of State, transmitting, pursuant to law, a proposed Manufacturing License Agreement to the United Kingdom; to the Committee on Foreign Relations.

EC–2441. A communication from the General Counsel of the National Tropical Botanical Garden, transmitting, pursuant to law, a report relative to an audit for the period

from January 1, 1996 through December 31, 1996; to the Committee on the Judiciary.

EC–2442. A communication from the Director, Executive Office for U.S. Trustees, U.S. Department of Justice, transmitting, pursuant to law, a report of a rule entitled ''Qualifications and Standards for Standing Trustees'', received on July 1, 1997; to the Committee on the Judiciary.

EC–2443. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1996; to the Committee on the Judiciary.

EC–2444. A communication from the Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice, transmitting, pursuant to law, the Office of Justice Programs Annual Report for Fiscal Year 1996; to the Committee on the Judiciary.

EC–2445. A communication from the Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice, transmitting, a draft of proposed legislation entitled ''Victims' Rights Act of 1997; to the Committee on the Judiciary.

EC–2446. A communication from the Assistant Attorney General, transmitting, a draft of proposed legislation entitled ''Child Support Recovery Amendments Act of 1997''; to the Committee on the Judiciary.

EC–2447. A communication from the Attorney-Advisor, Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule entitled ''Collection of Past-Due Support by Administrative Offset'', received on June 2, 1997; to the Committee on Finance.

EC–2448. A communication from the Chief Counsel, Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, a report of a rule relative to trades rules, received on July 1, 1997; to the Committee on Finance.

EC–2449. A communication from the President of the United States, transmitting, pursuant to law, a report relative to emigration laws; to the Committee on Finance.

EC–2450. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule relative to applicable percentage, received on July 8, 1997; to the Committee on Finance.

EC–2451. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule relative to the applicable percentage for oil and gas produced, received on July 8, 1997; to the Committee on Finance.

EC–2452. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule relative to reference price, received on July 8, 1997; to the Committee on Finance.

EC–2453. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, the strategic plan under the Government Performance and Results Act for calendar year 1997; to the Committee on Finance.

EC–2454. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule relative to reporting transfers, received on July 8, 1997; to the Committee on Finance.

EC–2455. A communication from the Acting Commissioner of Social Security, transmitting, a draft of proposed legislation to institute a ticket system; to the Committee on Finance.

EC–2456. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to Papaya, Carambola, and Litchi from Hawaii, received on July 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2457. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to the Gypsy Moth, received on July 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2458. A communication from the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to spearmint oil, received on July 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2459. A communication from the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to upper Florida marketing, received on July 9, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2460. A communication from the Administrator, Farm Service Agency, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to the sugar loan program, received on July 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2461. A communication from the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to potatoes grown in Washington, received on July 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2462. A communication from the Secretary, U.S. Department of Agriculture, transmitting, a draft of proposed legislation relative to fees for inspection; to the Committee on Agriculture, Nutrition, and Forestry

EC–2463. A communication from the Secretary of Defense, transmitting, opposition to the Cochran-Durbin and Spence-Dellums amendments; to the Committee on Armed Services.

EC–2464. A communication from the Secretary of Defense, transmitting, opposition to restraint of the Cooperative Threat Reduction program; to the Committee on Armed Services.

EC–2465. A communication from the Railroad Retirement Board, transmitting, pursuant to law, a report relative to the railroad retirement system under the Railroad Retirement Act; to the Committee on Labor and Human Resources.

EC–2466. A communication from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a rule relative to monetary penalties for inflation (RIN 1212–AA86), received on July 8, 1997; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–166. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania; to the Committee on Finance.

RESOLUTION

Whereas, the Veterans Health Administration (VHA) is the largest integrated health care provider in the United States, with more than 200,000 employees and an annual budget of over $16,000,000,000; and

Whereas, the VHA is under scrutiny by the President and the Congress of the United States to become a more cost-efficient health care delivery system; and

Whereas, as a group, VHA patients are older, sicker and poorer than persons using private health care facilities; and

Whereas, Medicare is not presently reimbursable to the VHA; and

Whereas, providing for Medicare reimbursement for health care services at a VHA facility would offer veterans more options and reduce the amount of other Federal funding utilized by the system; and

Whereas, United States Representative Bob Stump of Arizona has introduced House Resolution 1362 which would establish a demonstration project to provide for Medicare reimbursement for health care services provided to certain Medicare-eligible veterans in selected facilities of the Department of Veterans Affairs; and

Whereas, Pennsylvania has the fifth largest veteran population in the United States and would be a statistically significant choice for a demonstration program; and

Whereas, Veterans Integrated Service Network Number Four (VISN 4) includes all of the Veterans Administration Medical Centers in Pennsylvania and two Veterans Administration Medical Centers in states contiguous to Pennsylvania; therefore be it

Resolved, That the Senate of Pennsylvania memorialize Congress to select VISN 4 to participate in the demonstration project provided for in House Resolution 1362 and to participate in all demonstration programs for Medicare-eligible veterans; and be it further

Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM–167. A resolution adopted by the General Assembly of the Commonwealth of Pennsylvania; to the Committee on Finance.

RESOLUTION

Whereas, the Federal Unified Gift and Estate Tax generates a minimal amount of Federal revenue, especially considering the high cost of collection and compliance, and has been shown to decrease those Federal revenues from what they might otherwise have been; and

Whereas, this ''death tax'' has been identified as destructive to job opportunity and expansion, especially to minority entrepreneurs and family farmers; and

Whereas, this ''death tax'' causes severe hardship to growing family businesses and family farming operations, often to the point of partial or complete forced liquidation, thereby depriving state and local governments of an important ongoing source of revenue; and

Whereas, critical state and local leadership assets are unnecessarily destroyed and forever lost to the future detriment of the community through relocation or liquidation; and

Whereas, local and state schools, churches and numerous charitable activities would greatly benefit from the increased employment and continued family business leadership; therefore be it

Resolved (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania urge the Congress of the United States to immediately review the Federal Unified Gift and Estate Tax and to act either to repeal the law, or to give special exemptions to family owned farms and businesses, or to raise the

unified credit against the Gift and Estate Taxes, or to defer estate tax payments over a period of time; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the Treasury of the United States and to each member of Congress from Pennsylvania.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations, without amendment:

S. 1004. An original bill making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–44).

S. 1005. An original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–45).

By Mr. STEVENS, from the Committee on Appropriations:

Special report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1998'' (Rept. No. 105–46).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SHELBY, from the Select Committee on Intelligence:

George John Tenet, of Maryland, to be Director of Central Intelligence.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, from the Committee on the Judiciary:

Anthony W. Ishii, of California, to be United States District Judge for the Eastern District of California.

Henry Harold Kennedy, Jr., of the District of Columbia, to be United States District Judge for the District of Columbia.

Katharine Sweeney Hayden, of New Jersey, to be United States District Judge for the District of New Jersey.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERTS (for himself and Mr. BROWNBACK):

S. 1000. A bill to designate the United States courthouse at 500 State Avenue in Kansas City, Kansas, as the ''Robert J. Dole United States Courthouse''; to the Committee on Environment and Public Works.

By Mr. SMITH of New Hampshire (for himself and Mr. GREGG):

S. 1001. A bill to amend title 31, United States Code, to address the failure to appropriate sufficient funds to make full payments in lieu of taxes under chapter 69, of that title by exempting certain users of the National Forest System from fees imposed in connection with the use; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABRAHAM (for himself, Mr. FAIRCLOTH, Mr. SESSIONS, Mr. HUTCHINSON, Mr. DEWINE, Mr. COATS, Mr. ASHCROFT, Mr. COVERDELL, Mr. SMITH of New Hampshire, Mr. NICKLES, and Mr. HELMS):

S. 1002. A bill to require Federal agencies to assess the impact of policies and regulations on families, and for other purposes; to the Committee on Governmental Affairs.

By Mr. GRASSLEY (for himself, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. HUTCHINSON, Mr. GRAHAM, Mr. HAGEL, Mr. STEVENS, Mr. THURMOND, and Mr. FAIRCLOTH):

S. 1003. A bill to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 1004. An original bill making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. STEVENS:

S. 1005. An original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1006. A bill to authorize appropriations for the expansion of the columbarium of the National Memorial Cemetery of the Pacific; to the Committee on Veterans Affairs.

By Mr. CHAFEE (by request):

S. 1007. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to reduce the costs of disaster relief and emergency assistance, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH:

S. Con. Res. 38. A concurrent resolution to state the sense of the Congress regarding the obligations of the People's Republic of China under the Joint Declaration and the Basic Law to ensure that Hong Kong remains autonomous, the human rights of the people of Hong Kong remain protected, and the government of the Hong Kong SAR is elected democratically; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERTS (for himself and Mr. BROWNBACK):

S. 1000. A bill to designate the United States courthouse at 500 State Avenue in Kansas City, KS, as the ''Robert J. Dole United States Courthouse''; to the Committee on Environment and Public Works.

ROBERT J. DOLE UNITED STATES COURTHOUSE

Mr. ROBERTS. Mr. President, I have the great pleasure of introducing legislation, along with my colleague, Senator BROWNBACK, to name the U.S. Courthouse at 500 State Avenue in Kansas City, KS, as the Robert J. Dole U.S. Courthouse. I think all of our colleagues know that although our esteemed former colleague has received scores of honors, I am pleased to lead the Kansas congressional delegation in naming this courthouse after Bob because it reflects his common sense and honest work in the U.S. Senate not only nationally but also in regard to Kansas.

Senator Dole's career on behalf of the State of Kansas is well-known—State Representative, Russell County attorney, Congressman of Kansas' big First Congressional District from 1961 to 1969, and Senator from 1969 to 1996. When Senator Dole stepped down from the Senate last year as Kansas' great senior Senator and longest-serving Republican majority leader, he showed determination and courage in his all-out effort to win the 1996 Presidential election.

Although being majority leader cast Senator Dole as a national political figure, forcing him to tackle every single issue before the Congress, he never stopped his tireless work on behalf of Kansans in all 105 counties. There was no inside the beltway for Bob Dole; it was inside the Sunflower State. If you travel into any Kansas community, be it Wichita or Wakeeney and ask a resident about Bob Dole, they will easily recall his care about their concerns. Kansans will tell you of getting the Social Security check delivered quicker or inserting some provision in legislation for a public works project that made a lot of sense and was a taxpayer investment. Whenever national disasters struck, Kansas Senator Dole also alerted the appropriate Federal disaster relief officials and personally tried to alleviate the emotional and the physical damage from tornadoes, droughts and floods.

Throughout Kansas, Senator Dole was always available. He listened and learned from farmers, soccer moms, businessmen, and children. The issues were as diverse as Kansas itself— economic development needs of our State urban areas like Kansas City, or a farmer's desire for higher grain prices and safer roads for drivers and transportation.

Mr. President, the Federal courthouse at 500 State Avenue in Kansas City, KS, is an example of Senator Dole's leadership in Kansas. He, with the support of a bipartisan group of local elected officials and community leaders, succeeded in keeping the courthouse in downtown Kansas City, KS. Now, this Federal presence has served to revitalize the neighborhoods. In fact, on Tuesday, another key component of his interest in Kansas City, KS, to this development effort was

started through the groundbreaking of the new Federal building across the street from the courthouse to house the EPA region VII offices.

This was very typical of Bob Dole. He reached out to local Democrats, Republicans, and Independents. No matter that Senator Dole was a Republican, Kansas City, KS, and Wyandotte County Democrats deeply appreciated his efforts not only on the Federal courthouse but on other matters such as the Federal response to the flood of 1993.

Realizing that the former Federal courthouse would be vacated for the new courthouse and would become excess Federal property, Senator Dole worked with local officials and the GSA to ensure that the former courthouse would be transferred to Wyandotte County so they could use it for additional judicial space. This saved Wyandotte County and the taxpayer a great deal of money.

This U.S. courthouse represents the State of Kansas' efficient use of land and labor. The building was designed in a contemporary judicial style and is intended to be a model for future Federal court buildings. As part of this style, cost savings features were used such as precast concrete instead of a natural stone facade, combined with energy efficient double-glazed aluminum frame windows. It is clear that Senator Dole's perseverance to reduce our Federal spending was applied in this courthouse. This design reduced costs and increased efficiency unlike other Federal courthouses that have Cadillac courtrooms and exceeded their budgets.

Mr. President, this Federal courthouse has 165,000 square feet of office space. I am proud to let my colleagues know that its budget was $40,868,000. But the finished cost was $34 million. That is right, a Federal project was actually finished for less than its budget, $6.7 million to be exact. While the primary role for this building is for the Federal judicial process, other agencies such as the U.S. Marshal, the Peace Corps and Congressman VINCE SNOWBARGER, also utilize this office space in the courthouse.

Mr. President, Senator BROWNBACK joins me in asking that the Environmental and Public Works Committee act expeditiously on this bill before the August recess.

I ask unanimous consent to have the bill printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF ROBERT J. DOLE UNITED STATES COURTHOUSE

The United States courthouse at 500 State Avenue in Kansas City, Kansas, shall be known and designated as the ''Robert J. Dole United States Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Robert J. Dole United States Courthouse''.

Mr. THURMOND. Mr. President, I thank the able Senator from Kansas. The name of the courthouse for Bob Dole is purely a Kansas matter, but I just want to say that no finer person in the United States deserves a courthouse or any other building named for him than Bob Dole. He is a great American. He has rendered this country great service. He was an outstanding leader here in the Senate for many years. We are all proud of him and we will be delighted to have a courthouse named for him.

By Mr. SMITH of New Hampshire (for himself and Mr. GREGG):

S. 1001. A bill to amend title 31, United States Code, to address the failure to appropriate sufficient funds to make full payments in lieu of taxes under chapter 69, of that title by exempting certain users of the National Forest System from fees imposed in connection with the use; to the Committee on Agriculture, Nutrition, and Forestry.

THE LOCAL FOREST USER FAIRNESS ACT

Mr. SMITH of New Hampshire. Mr. President, I take the floor today to introduce the Local Forest User Fairness Act with my colleague Senator GREGG. This legislation would allow residents of counties where U.S. Forest Service land is situated to recreate in the forest without paying a user fee. The introduction of this bill was prompted by the recent institution of recreational user fees in certain national forests across the country, one of those being the White Mountain National Forest in New Hampshire.

While I am not opposed to user fees per se, I do have some concerns in this instance because of the potential for double taxation and inequitable treatment for local residents. Those areas where the Federal Government owns much of the land suffer from a diminished property tax base to fund schools and other necessary social needs. To address this inequity, Congress passed the Payments in Lieu of Taxes, or PILT, program in 1976 which partially reimburses local units of government for their loss of property tax revenue due to the U.S. Forest Service's ownership of local land. Unfortunately, this program has not been fully funded for a number of years.

This bill provides that until the PILT program is fully funded to its authorized level, local residents recreating in the forest would be exempt from paying user fees. In New Hampshire, this would apply to all residents of Coos, Grafton, and Carroll Counties. For these areas, the shortfall in PILT payments for fiscal year 1996 was nearly $250,000, providing only 68 percent of what was owed to them. Because of this shortfall, county and municipal governments are forced to find much needed revenue elsewhere, including increased property taxes. It is simply unfair to charge these communities with using the White Mountains when they are already subsidizing the forest.

I believe the Local Forest User Fairness Act provides for a reasonable, fair way of dealing with this inequity. Our proposed exemption would not be necessary, of course, if the Federal Government were to fully fund the PILT program and provide adequate funding for Forest Service management—initiatives that I strongly support.

In conclusion, Mr. President, I want to commend my other New Hampshire colleague, Congressman BASS, for developing and introducing this legislation in the House. Together, I hope we can establish a more equitable situation for our constituents who live, work, and play in or near our national forests. I now ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Local Forest User Fairness Act''.

SEC. 2. LOCAL EXEMPTIONS FROM FOREST SERVICE USER FEES DUE TO LESS THAN FULL FUNDING OF PAYMENTS IN LIEU OF TAXES.

(a) FINDINGS.—Congress finds that—

(1) the Federal Government provides payments in lieu of taxes under chapter 69 of title 31, United States Code, to compensate units of general local government whose tax base is diminished by Federal ownership of lands, including Federal lands in the National Forest System administered by the Forest Service;

(2) amounts appropriated to provide payments in lieu of taxes under that chapter have been significantly less than the amounts necessary to comply fully with the payment formulas contained in that chapter; and

(3) by failing to fully fund payments in lieu of taxes to units of general local government whose jurisdictions contain Federal lands, including National Forest System lands, the Federal Government is increasing the tax burden on local property owners.

(b) NATIONAL FOREST USER FEE EXEMPTION.—Section 6906 of title 31, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Necessary''; and

(2) by adding at the end the following:

''(b) LOCAL EXEMPTIONS FROM USER FEES DUE TO INSUFFICIENT APPROPRIATIONS.—

''(1) IN GENERAL.—Unless sufficient funds are appropriated for a fiscal year to provide full payments under this chapter to each unit of general local government eligible for the payments, persons residing within the boundaries of that unit of general local government shall be exempt during that fiscal year from any recreational user fees imposed by the Secretary of Agriculture for access to units of the National Forest System that lie, in whole or in part, within the boundaries.

''(2) ADMINISTRATION.—The Secretary of Agriculture shall establish a method for identifying and exempting persons covered by this subsection from the user fees.''.

By Mr. GRASSLEY (for himself, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. HUTCHINSON, Mr. GRAHAM, Mr. HAGEL, Mr. STEVENS, Mr. THURMOND and Mr. FAIRCLOTH):

S. 1003. A bill to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1997

Mr. GRASSLEY. Mr. President, we must be sure that we are taking the necessary steps to protect the citizens of our nation by preventing drug traffickers, organized crime and terrorist groups from obtaining the profits of their illegal activities. Much has been done and said about the movement of illegal drugs into the United States or terrorists acts against our country. But the opposite side of the business—getting the profits from drug sales and other illegal enterprises out of the country and back into the hands of the criminal organizations—does not get as much publicity and is just as important.

In an effort to strike another blow to drug traffickers and criminals who prey on our citizens by their ill-gotten gains, today I, in conjunction with Senator D'AMATO, am introducing companion legislation to H.R. 1756, the Money Laundering and Financial Crimes Strategy Act of 1997. This legislation will authorize the Secretary of the Treasury, in consultation with the Attorney General and other relevant agencies, to coordinate and implement a national strategy to address the exploitation of our Nation's payment systems to facilitate money laundering and related financial crimes. The strategy will enhance and expand the Secretary's authority to ascertain criminal activity directed at our Nation's financial systems, determine the threat posed to the integrity of such systems, and develop regulatory and law enforcement initiatives to respond. The bill will hit the criminals where they feel it the most—in their pocketbooks. By implementing a strategy on a national level, hundreds of communities across our country will no longer be held hostage by these criminal enterprises.

As we know, money laundering involves disguising financial assets so they can be used without detection of the illegal activity that produced them. Through money laundering, the criminal transforms the monetary proceeds derived from the criminal activity into funds with an apparently legal source. Money laundering provides the resources from drug dealers, terrorists, arms dealers, and other criminals to operate and expand their criminal enterprises. Today, experts estimate that money laundering has grown into a $500 billion problem worldwide.

A significant component of this strategy will involve defining specific criminal activity affecting geographic areas, payment systems and financial institutions, that are considered to have a high potential to be abused by criminal organizations. These high risk money laundering zones will then be targeted for specific action, whether it is specific law enforcement operations, preventative efforts to insulate entire payment systems, or industry sectors from being exploited by criminal elements. This legislation will help provide assistance to localities for example, state and local prosecutors and law enforcement officials in the form of federal financial crimes grants to any area designated as a ''High Risk Money Laundering Zone.''

I would also like to thank my colleagues, Senators DIANNE FEINSTEIN, TED STEVENS, TIM HUTCHINSON, BOB GRAHAM, CHUCK HAGEL, and LAUCH FAIRCLOTH, for joining in cosponsoring this bi-partisan legislation. Working together, we need to tighten up our financial control capabilities to prevent criminal enterprises from abusing our financial and banking systems. I hope this legislation will be the beginning of a serious effort by Congress to impact the growing threat of money laundering not only to our Nation, but worldwide.

Mr. President, I ask unanimous consent that I have a copy of my legislation printed in the RECORD.

Mr. President, I would like to add Senator STROM THURMOND as cosponsor of that legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1003

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Money Laundering and Financial Crimes Strategy Act of 1997''.

SEC. 2. MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code is amended by adding at the end the following new subchapter:

''Subchapter III—Money Laundering and Related Financial Crimes

''SEC. 5341. DEFINITIONS.

''For purposes of this subchapter, the following definitions shall apply:

''(1) DEPARTMENT OF THE TREASURY LAW ENFORCEMENT ORGANIZATIONS.—The term 'Department of the Treasury law enforcement organizations' has the meaning given to such term in section 9703(p)(1).

''(2) MONEY LAUNDERING AND RELATED FINANCIAL CRIME.—The term 'money laundering and related financial crime' means an offense under this subchapter, chapter II of title I of Public Law 91–508 (12 U.S.C. 1951, et seq.; commonly referred to as the 'Bank Secrecy Act'), or section 1956, 1957, or 1960 of title 18 or any related Federal, State, or local criminal offense.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(4) STRATEGY.—The term 'Strategy' means the National Strategy for Combating Money Laundering and Related Financial Crimes developed in accordance with section 5342.

''SEC. 5342. NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY.

''(a) DEVELOPMENT AND SUBMISSION TO CONGRESS.—

''(1) DEVELOPMENT.—The President, acting through the Secretary, shall coordinate and develop a National Strategy for Combating Money Laundering and Related Financial Crimes (hereafter in this section referred to as the 'Strategy').

''(2) SUBMISSION TO CONGRESS.—On February 1 of fiscal years 1999 through 2003, the Secretary shall submit the Strategy to Congress in written form, in accordance with this subchapter.

''(3) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the Strategy that involves information which is properly classified under criteria established by Executive order shall be submitted to Congress separately.

''(4) CONTENTS.—Each Strategy submitted under paragraph (2) shall include—

''(A) comprehensive, research-based, quantifiable goals for reducing money laundering and related financial crime in the United States;

''(B) 3-year budget projections for program and budget priorities to implement the Strategy;

''(C) a review of State and local strategies to control money laundering and other financial crimes to ensure that the United States pursues well-coordinated and effective money laundering and other financial crime controls at all levels of Government;

''(D) a description of existing operational initiatives to improve detection of money laundering and related financial crimes;

''(E) a description of the actions taken by the Secretary to achieve an enhanced partnership between the private financial sector and law enforcement agencies, as required under subsection (b)(3);

''(F) a description of—

''(i) cooperative efforts between the Federal Government and State and local officials, including State and local prosecutors and other law enforcement officials; and

''(ii) cooperative efforts among the several States and between State and local officials, including State and local prosecutors and other law enforcement officials, for financial crimes control which could be utilized or should be encouraged;

''(G) a complete assessment of how the proposed budget is intended to implement the Strategy, and whether the funding levels contained in the proposed budget are sufficient to implement the Strategy;

''(H) the level of compatibility of automated information systems, including the ease of access of the Federal Government and State and local governments to timely, accurate, and complete information;

''(I) a list of persons or officers consulted by the Secretary pursuant to subsection (c); and

''(J) any other information necessary for the purpose of developing and analyzing data in order to ascertain financial crime trends.

''(b) DEVELOPMENT OF STRATEGY.—The Strategy shall address any area that the President, acting through the Secretary, considers appropriate, including the following:

''(1) GOALS, OBJECTIVES, AND PRIORITIES.—Comprehensive, research-based goals, objectives, and priorities for reducing money laundering and related financial crime in the United States.

''(2) PREVENTION.—Coordination of regulatory and other efforts to prevent the exploitation of financial systems in the United States for money laundering and related financial crimes, including a requirement that the Secretary shall—

''(A) regularly review enforcement efforts under this subchapter and other provisions of law and, when appropriate, modify existing regulations or prescribe new regulations for purposes of preventing such criminal activity; and

''(B) coordinate prevention efforts and other enforcement action with the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Federal Trade Commission, other Federal banking agencies, and the National Credit Union Administration Board.

''(3) ENHANCEMENT OF ROLE OF PRIVATE FINANCIAL SECTOR IN PREVENTION.—The Secretary shall pursue an enhanced partnership between the private financial sector and law enforcement agencies with regard to the prevention and detection of money laundering and related financial crimes, including providing incentives to strengthen internal controls and to adopt on an industrywide basis more effective policies.

''(4) DESIGNATED AREAS.—A description of geographical areas designated as 'high-risk money laundering and related financial crime areas' in accordance with section 5343.

''(5) DATA REGARDING TRENDS IN MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.—The need for additional information necessary for the purpose of developing and analyzing data in order to ascertain financial crime trends.

''(6) IMPROVED COMMUNICATIONS SYSTEMS.—The compatibility of automated information and facilitating access of the Federal Government and State and local governments to timely, accurate, and complete information, and what steps may be necessary to improve such access.

''(c) CONSULTATIONS.—In developing the Strategy, the Secretary shall consult with—

''(1) law enforcement organizations of the Department of the Treasury involved in the detection, prevention, and suppression of money laundering and related financial crimes;

''(2) the Attorney General;

''(3) the Board of Governors of the Federal Reserve System, the National Credit Union Administration Board, and other Federal banking agencies;

''(4) State and local officials, including State and local prosecutors;

''(5) the Securities and Exchange Commission;

''(6) the Commodities and Futures Trading Commission;

''(7) to the extent appropriate, State and local officials responsible for financial institution and financial market regulation;

''(8) any other State or local government authority, to the extent appropriate;

''(9) any other Federal Government authority or instrumentality, to the extent appropriate; and

''(10) representatives of the private financial services sector, to the extent appropriate.

''SEC. 5343. HIGH-RISK MONEY LAUNDERING AND RELATED FINANCIAL CRIME AREAS.

''(a) FINDINGS AND PURPOSE.—

''(1) FINDINGS.—The Congress finds that—

''(A) money laundering and related financial crimes frequently appear to be concentrated in particular geographic areas, financial systems, industry sectors, or financial institutions; and

''(B) while the Secretary has the responsibility to act with regard to Federal offenses committed in a particular locality or are directed at a single institution, because modern financial systems and institutions are interconnected to a great degree, money laundering and other related financial crimes are likely to have local, State, national, and international effects wherever they are committed.

''(2) PURPOSE AND OBJECTIVE.—The purpose of this section is to provide a mechanism for designating any area where money laundering or a related financial crime appears to be occurring at a higher than average rate, such that—

''(A) a comprehensive approach to the problem of such crime in such area can be developed, in cooperation with State and local law enforcement agencies, which utilizes the authority of the Secretary to prevent such activity; or

''(B) the area can be targeted for law enforcement action.

''(b) ELEMENT OF NATIONAL STRATEGY.—The designation of certain areas as areas in which money laundering and related financial crimes are extensive or present a substantial risk shall be an element of the Strategy developed pursuant to section 5342.

''(c) DESIGNATION OF AREAS.—

''(1) DESIGNATION BY SECRETARY.—The Secretary, after taking into consideration the factors specified in subsection (d), shall designate any geographical area, industry, sector, or institution in the United States in which money laundering and related financial crimes are extensive or present a substantial risk as a 'high-risk money laundering and related financial crimes area'.

''(2) SPECIFIC INITIATIVES.—Any head of a department, bureau, or law enforcement agency, including any State or local prosecutor, involved in the detection, prevention, and suppression of money laundering and related financial crimes and any State or local official or prosecutor may submit a written request for the designation of any area as a high-risk money laundering and related financial crimes area.

''(3) CASE-BY-CASE DETERMINATION.—In addition to the factors specified in subsection (d), a designation of any area under this subsection shall be made on the basis of a determination by the Secretary that the particular area, industry, sector, or institution is being victimized by, or is particularly vulnerable to, money laundering and related financial crimes.

''(d) FACTORS.—In designating an area as a high-risk money laundering and related financial crimes area under this section, the Secretary shall, to the extent appropriate, take into account—

''(1) the population of the area;

''(2) the number of bank and nonbank financial institution transactions that originate in such area or involve institutions located in such area;

''(3) the number of stock or commodities transactions that originate in such area or involve institutions located in such area;

''(4) whether the area is a key transportation hub with any international ports or airports or an extensive highway system;

''(5) whether the area is an international center for banking or commerce;

''(6) the extent to which financial crimes and financial crime-related activities in such area are having a harmful impact in other areas of the country;

''(7) the number or nature of requests for information or analytical assistance that—

''(A) are made to the analytical component of the Department of the Treasury; and

''(B) originate from law enforcement or regulatory authorities located in such area, or involve institutions or businesses located in such area or residents of such area;

''(8) whether the area is or has been the subject of active money laundering investigations;

''(9) the volume or nature of suspicious activity reports originating in the area;

''(10) the volume or nature of currency transaction reports or reports of cross-border movements of currency or monetary instruments originating in the area;

''(11) whether, and how often, the area has been the subject of a geographical targeting order under section 5326 before being considered for such designation;

''(12) observed changes in trends and patterns of money laundering activity;

''(13) unusual patterns, anomalies, growth, or other changes in the volume or nature of core economic statistics or indicators;

''(14) statistics or indicators of unusual or unexplained volumes of cash transactions;

''(15) unusual patterns, anomalies, or changes in the volume or nature of transactions conducted through financial institutions operating within or outside the United States;

''(16) the extent to which State and local governments and State and local law enforcement agencies have committed resources to respond to the financial crime problem in the area and the degree to which the commitment of such resources reflects a determination by such government and agencies to address the problem aggressively;

''(17) the extent to which a significant increase in the allocation of Federal resources to combat financial crimes in such area is necessary to provide an adequate State and local response to financial crimes and financial crime-related activities in such area; and

''(18) such other factors as the Secretary considers relevant.

''SEC. 5344. ASSISTANCE FOR FIGHTING MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

''(a) GRANT PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—After the end of the 1-year period beginning on the date on which the first Strategy is submitted to the Congress in accordance with section 5342, the Secretary may review, select, and award grants in accordance with this subchapter from among applications submitted under paragraph (2) to State or local law enforcement agencies and prosecutors in an area designated as a high-risk money laundering and related financial crimes area under section 5343. Such grants shall be used to provide funding necessary to investigate and prosecute money laundering and related financial crimes in those areas.

''(2) APPLICATION PROCESS.—The Secretary shall award grants under this subchapter upon receipt of written application, in accordance with such terms and procedures as the Secretary may establish.

''(3) SPECIAL PREFERENCE.—In awarding grants under this subsection, special preference shall be given to applicants that represent collaborative efforts of 2 or more State and local law enforcement agencies or prosecutors who have a history of Federal, State, and local cooperative law enforcement and prosecutorial efforts in responding to such criminal activity.

''(b) OTHER ASSISTANCE AUTHORIZED.—Notwithstanding whether a grant is awarded in an area designated as a high-risk money laundering and related financial crimes area, the Secretary may, in any such area—

''(1) recommend increases in Federal assistance that the Secretary determines are necessary to combat financial crimes in such areas; and

''(2) establish joint cooperative efforts and coordinate enforcement activities among Federal law enforcement organizations involved in the detection, prevention, and suppression of money laundering and related financial crimes and State and local law enforcement agencies with respect to financial crimes in such area.

''SEC. 5345. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subchapter, subject to an appropriations Act—

''(1) $5,000,000 for fiscal year 1999;
''(2) $7,500,000 for fiscal year 2000;
''(3) $10,000,000 for fiscal year 2001;
''(4) $12,500,000 for fiscal year 2002; and
''(5) $15,000,000 for fiscal year 2003.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 53 of title 31, United States Code, is amended by adding at the end the following items relating to the subchapter added by subsection (a) of this section:

''SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

''Sec. 5341. Definitions.
''Sec. 5342. National money laundering and related financial crimes strategy.
''Sec. 5343. High-risk money laundering and related financial crime areas.
''Sec. 5344. Assistance for fighting money laundering and related financial crimes.
''Sec. 5345. Authorization of appropriations.''.

SEC. 3. BUDGETS FOR LAW ENFORCEMENT ACTIVITIES RELATING TO MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

Section 1105 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(h) TREATMENT OF FUNDING.—The Director of the Office of Management and Budget shall establish the funding for law enforcement activities with respect to money laundering and related financial crimes for each applicable department or agency as a separate object class in each budget annually submitted to the Congress under this section.''.

SEC. 4. REPORT AND RECOMMENDATIONS.

Before the end of the 5-year period beginning on the date on which the first National Strategy for Combating Money Laundering and Related Financial Crimes is submitted to the Congress pursuant to section 5342 of title 31, United States Code (as added by this Act), the Secretary of the Treasury shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the effectiveness of and the need for the designation of areas, under section 5343 of title 31, United States Code (as added by this Act), as high-risk money laundering and related financial crime areas, together with such recommendations for legislation as the Secretary of the Treasury may determine to be appropriate to carry out the purposes of that section.

Mr. D'AMATO. Mr. President, today, I am proud to sponsor a bill which attacks drug traffickers by making it harder for these criminals to profit from their illegal windfalls. We have long known of the terrible price our communities pay because of drug abuse; the dashed hopes and dreams and the shattered lives of millions of Americans. The Congress, and the Administration, have a responsibility to do everything we can to restore those dreams and rebuild these communities.

Drug kingpins and cartels are destroying our neighborhoods and poisoning our children. Unless we put an immediate stop to this criminal behavior, drug lords will continue to penetrate our schools and families.

Mr. President, through money laundering, drug traffickers are able to take their blood money and launder it clean. These ill-gotten gains are then filtered throughout our economy. Money laundering sustains drug and arms dealers, as well as terrorists and other criminals searching for a way to prolong their illegal enterprises. Tax evasions, and trade and insurance fraud are the related byproducts of money laundering.

Money laundering robs our Nation's financial institutions of their most valuable asset—their integrity. By abusing the Nation's financial institutions, the launderers increase their wealth and power often by purchasing land and buildings with these illicit funds. So it soon becomes impossible to distinguish drug money from wealth earned by hard working taxpayers.

Day in, day out, the drug lords relentlessly peddle their products of death and misery for huge profits. While our police are hampered by their inability to effectively target large cash transactions. This bill sends the message that ''enough is enough.'' It hands our law enforcement agencies the tools to hit the criminals where it hurts—in the pocketbook.

Mr. President, the bill has three major provisions:

First, It requires the Treasury Secretary to create a national money laundering strategy and report to Congress.

Second, It allows the Secretary to designate ''high risk zones'' where money laundering is concentrated.

Third, The high risk zones will be eligible for law enforcement assistance and technical assistance and antimoney laundering grants.

This bill is not based on hypotheticals—it was not drafted out of thin air—it is based on hands-on experience of what has worked for our drug enforcement agencies. We have learned that the most effective method of fighting this problem is for law enforcement agencies to work together. That is why we have called for a national strategy. And that is why the bill directs the Secretary to give special preference to law enforcement or prosecutorial agencies that coordinate activities when awarding grants to combat money laundering.

This approach has proven successful in a recent New York undercover operation known as ''El Dorado''. This joint law enforcement effort used a Treasury Department tool known as a GTO-Geographic Targeting Order. Under the GTO, designated money remitters were required to report detailed information about all cash transfers to Columbia over $750. The results of Operation ''El Dorado'' were phenomenal:

Cash transfers by three major remitters plummeted from $67 million to $2 million;

The overall number of transactions by those same remitters dropped 95 percent and the dollar amount dropped 97 percent;

There has been $30 million in currency seizures, three arrests and one conviction.

Most importantly, Operation ''El Dorado'' disrupted the profit flow from the United State to the drug cartels.

Operation El Dorado was a huge success—but it was limited by the nature of the GTO itself—it is a temporary legal device. We need to stop these criminals forever!

Our experience in New York demonstrates that only a comprehensive and cooperative solution will achieve results. We must take decisive and immediate steps to stop this insidious cancer from rotting away at our country's legitimate economy and financial system. This bill would essentially put in place a permanent GTO in high risk areas.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1006. A bill to authorize appropriations for the expansion of the columbarium of the National Memorial Cemetery of the Pacific; to the Committee on Veterans Affairs.

EXPANSION OF THE NATIONAL MEMORIAL CEMETERY OF THE PACIFIC

Mr. AKAKA. Mr. President, I am today introducing a bill which allows for the expansion of the National Memorial Cemetery of the Pacific, commonly referred to as Punchbowl. I am pleased that my colleague, the senior Senator from Hawaii, Senator INOUYE has joined me as a sponsor of this measure.

This is a very simple bill. It authorizes $1.5 million for the construction of an additional columbarium at the National Memorial Cemetery of the Pacific.

The cemetery is nearing its capacity and is only open to interment of cremains. It is estimated by the year 2002, Punchbowl will no longer be open for any burials. However, while the national cemetery will be closed to burials, Hawaii will begin to experience 5 years of the greatest expected burial needs for our World War II veterans.

Currently, 26,000 World War II veterans reside in Hawaii. Based on present columbarium usage at Punchbowl, the Department of Veterans Affairs expects 20 percent of these veterans to chose cremation and inurnment at the National Memorial Cemetery of the Pacific.

The number of Hawaii veterans wishing to be interred at Punchbowl does not include veterans who reside outside of Hawaii who would like to be buried at this facility. Every year, we have veterans who choose to return to Hawaii to be buried with their comrades.

The bill I am introducing today will allow Punchbowl to accommodate 5,000 additional veterans and their spouses. This small expansion will allow our Nation's veterans, particularly those who served their country in World War II, to be buried in National Memorial Cemetery of the Pacific.

I urge my colleagues to support this fair and reasonable request on behalf of our Nation's veterans.

By Mr. CHAFEE (by request):

S. 1007. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to reduce the costs of disaster relief and emergency assistance, and for other purposes; to the Committee on Environment and Public Works.

THE DISASTER STREAMLINING AND COSTS REDUCTION ACT OF 1997

Mr. CHAFEE. Mr President, in my capacity as chairman of the Committee on Environment and Public Works, I introduce today the Disaster Streamlining and Costs Reduction Act of 1997, on behalf of the administration. This bill amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act with the goal of reducing the costs of disaster relief and emergency assistance provided by the Federal Emergency Management Agency [FEMA].

This legislation was submitted to the Senate on June 30, 1997, by FEMA Director James L. Witt. Submission of the bill fulfills, albeit late, a directive included in the FY 1997 VA, HUD and Independent Agencies Appropriations Act.

In that act, the distinguished Appropriations subcommittee chairman, Senator BOND, and his ranking member, Senator MIKULSKI, directed FEMA to propose methods of reducing the skyrocketing costs of Federal disaster relief aid. I commend Senators BOND, MIKULSKI and other Appropriations Committee members for their initiative.

As my colleagues are well aware, the Stafford Act is designed to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from disasters. In recent years, this assistance has grown increasingly expensive and has resulted in the reduction of annual funding levels for other Government programs which must compete directly with it.

I believe that the cause for the dramatic increase in disaster spending is at least two-fold. First, we are witnessing a period when more and more of our population is being affected by natural and man-made disasters. This might be due to what some say is an increase in the frequency of violent storms—coupled with the fact that a growing proportion of our citizens reside in coastal and riverine regions, causing them to be more vulnerable to floods.

Second, it is apparent that implementation of the Stafford Act could be conducted in a more fiscally sound manner. Are too many facilities or entities eligible for Federal disaster assistance? Is there mismanagement of grant moneys? Is there too much red tape at FEMA? These are the questions that have been asked.

This legislation purports to address both of these broad items believed by many to have contributed to increased disaster spending. To lessen risk to populations and structures, the administration's bill establishes new hazard mitigation authorities. The bill also reduces the number of public and private nonprofit facilities eligible for aid. Finally, the bill includes various management reforms to streamline the delivery of emergency assistance.

I have given this legislation a preliminary review and find that much in it makes a great deal of sense. Other elements may be problematic. But this is just the first step. This proposal will receive careful scrutiny in the Committee on Environment and Public Works and most likely will be modified several times after we have had a chance to receive input from the States and from disaster relief experts from across the country.

This is a serious issue involving the lives and property of millions of Americans. It also involves billions of taxpayer dollars. While the Congress must address these FEMA cost issues swiftly, we must also preserve the central mission of the Stafford Act. Toward that end, I look forward to conducting hearings on this bill in the Committee on Environment and Public Works.

With the help of Senator BOND, who is also a member of the Environment and Public Works Committee, Senator INHOFE, who chairs the relevant subcommittee, and other members, I am confident that we will be able to produce effective reform legislation in timely fashion. I also look forward to working closely with Director Witt and the administration and commend them for their proposal.

With that, Mr. President, I send the bill to the desk and ask that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1007

Be it enacted by the senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Disaster Streamlining and Costs Reduction Act of 1997.''

SEC. 2. DEFINITIONS.

(a) Section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5122, is amended by striking paragraphs (8) and (9) and inserting new paragraphs (8) and (9) as follows:

''(8) ''Public facility'' means the following facilities owned by a State or local government:

''(a)(1) Any sewage treatment and collection, water supply and distribution, or airport facility;

''(2) Any non-Federal-aid street, road, or highway;

''(3) Any other public building, structure, or system that is essential to life, health, education or safety; or

''(4) Parks other than those defined in paragraph (b)(5) of this section.

''(b) The term ''public facility'' does not include the following facilities owned by a State or local government:

''(1) Flood control, navigation, irrigation, reclamation, or watershed development structure or systems;

''(2) Electric utilities;

''(3) Building contents;

''(4) Cultural objects;

''(5) Trees and other natural features that are located within parks and recreational areas, as well as on the grounds of other publicly-owned property;

''(6) Parks, recreational areas, marinas, golf courses, stadiums, arenas or other similar facilities, which generate any portion of their operational revenue through user fees, rents, admission charges, or similar fees; and

''(7) Beaches.

''(9) 'Private nonprofit facility' means private nonprofit educational, emergency, medical, rehabilitational, utilities other than electric utilities, and custodial care facilities.

''(b) The term 'private nonprofit facility' does not include the following facilities owned by a private nonprofit entity:

''(1) Building contents;

''(2) Cultural objects;

''(3) Trees and other natural features that are located within parks and recreational areas, as well as on the grounds of other private nonprofit property; and

''(4) Beaches.''

(b) Section 102 is amended further by adding the following definitions at the end of the section:

''(10) 'Director' means the Director of the Federal Emergency Management Agency.

''(11) 'Hazard mitigation' or 'mitigation' means programs and actions to reduce the risk or impact of hazards in order to reduce loss of life and injury, damage or destruction of property from a disaster.

''(12) 'Incentives' means measures to induce action by State and local governments, individuals and other private interests to minimize or reduce the loss of life and property from disasters, including increased or reduced disaster assistance cost sharing, and such other measures as the President or Director may establish by regulation.''

SEC. 3. PRE-DISASTER HAZARD MITIGATION.

Title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5121 et seq., is amended by inserting new section 203 as follows:

''§ 203. Pre-Disaster Hazard Mitigation

''(a) The Director is authorized to establish a pre-disaster mitigation program to assist State and local governments to reduce injuries and loss of life, and to reduce damage or destruction of property from disaster before disasters occur; and is authorized to use incentives, disincentives, and other mitigation measures to reduce the cost of disasters to Federal, State and local governments, particularly damages to public facilities, and to the private sector.

''(b) The Director is authorized to make pre-disaster mitigation grants of not less than 75 percent of the cost of hazard mitigation measures to States and local governments and to eligible private nonprofit organizations to carry out the purposes of this section. The pre-disaster mitigation program established by this section shall not duplicate or replace assistance available to States and local governments and eligible nonprofit organizations under authorities and programs administered by other Federal departments or agencies.

''(c) The Director shall establish by rules and regulations the standards, incentives and criteria applicable to grants made under the authority of this section, including:

''(1) incentives for measures that reduce the risk of injuries and loss of life and reduce damages and destruction of property from disasters and that exceed the minimum standards, and criteria established by the Director under this section;

''(2) incentives for establishing disaster assistance programs, trust funds, or other measures that enhance the ability of individuals, property owners, and States and local

governments to finance, reimburse, or compensate for losses suffered from disasters;

''(3) procedures for the identification and evaluation of natural hazards that threaten the State or community;

''(4) measures to reduce injuries and loss of life and to reduce damages and destruction of property from disasters;

''(5) adoption and enforcement of laws, construction codes and other codes, community-wide land-use and other ordinances and by-laws, and regulations to minimize or mitigate the effects of disasters; and

''(6) such other mitigation measures as the President or the Director may adopt by regulation.

''(d) To carry out the pre-disaster mitigation program authorized in subsection (a), the Director shall establish a National Pre-Disaster Mitigation Fund (Fund) which shall be an account separate from any other accounts or funds and shall be available, without fiscal year limitation, for grants and other incentives to States and local governments and to nonprofit organizations to implement mitigation measures under standards and criteria established by the Director.

''(e) There are authorized to be appropriated to the Fund established by subsection (d) of this section such sums as may be necessary to implement this section.

''(f) The Director shall take into account the following when establishing priorities for pre-disaster mitigation grant applications:

''(1) the level and repetitive nature of the risks to be mitigated;

''(2) demonstrated State or local government commitment to reduce damages from future disasters;

''(3) official commitment by the State or local government that non-Federal financial commitments are available for the mitigation measures to be undertaken;

''(4) certification that mitigation projects involving public facilities will meet or exceed the mitigation criteria and standards established by the Director in this section;

''(5) assurances that the mitigation projects are not then the subject matter of litigation before any Federal, State or local court or administrative agency; and

''(6) assurances that the mitigation projects will be completed expeditiously, in a time period mutually agreed by the Director and the applicant.''

''(g) The Director shall review periodically the standards, criteria, and incentives established for mitigation under this chapter, shall evaluate performance results of those standards, criteria, and incentives, and shall make appropriate changes, as necessary, to enhance the effectiveness of pre0disaster and post-disaster mitigation measures.''

SEC. 4. MANAGEMENT EXPENSES.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5121 et seq., is amended by adding a new section 322, as follows: ''Sec. 322. Management expenses. Notwithstanding the provisions of any other law or administrative rule or guidance, for purposes of this chapter, the President shall establish management cost rates for grantees and subgrantees by rule. The President shall review the management cost rates every three years. All payments for management costs shall be in lieu of any indirect costs, administrative expenses, or any other expense not directly chargeable to a specific project under a major disaster (subchapter IV), emergency (subchapter V0, or an emergency preparedness activity or measure (subchapters II and VI).''

SEC. 5. HAZARD MITIGATION.

Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5170c, is amended as follows—

(a) In subsection (a), insert ''(1)'' between ''(a)'' and ''IN GENERAL.'';

(b) in the first sentence of subsection (a), strike ''up to'' after ''contribute'', and insert ''not less than'';

(c) Insert new subsection (a)(2) as follows:

''(2) INCENTIVES.—The President may provide by regulation incentives for Federal shares of assistance up to 90 percent for mitigation measures under this section for applicants that, at a minimum, have implemented the standards, incentives and criteria established by the Director under section 203(c) in advance of major disasters declared by the President under this Act.''

SEC. 6. FEDERAL COST SHARE.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5121 et seq., is amended as follows:

(a) in section 201(d), 42 U.S.C. 5131(d), strike ''50 percent'', and insert ''75 percent'';

(b) in section 407(d), 42 U.S.C. 5173(d), strike ''shall not be less than'', and insert ''shall not exceed'';

(c) in section 611(f)(2), 42 U.S.C. 5196(f)(2), strike ''one-half'', and insert ''three-quarters'';

(d) in section 611(j)(3), 42 U.S.C. 5196(j)(3), strike paragraph 93) in its entirety and insert ''The Director may contribute up to 75 percent of the cost of organizational equipment.'';

(e) in section 611(j)(5), 42 U.S.C. 5196(j)(5), strike the first sentence of paragraph (5), and insert ''The Director may contribute up to 75 percent of the eligible costs for projects under this section.'';

(f) in section 613(a), 42 U.S.C. 5196b(a), strike ''one-half'', and insert ''three-quarters''; and

(g) in section 614, 42 U.S.C. 519c, strike all after ''matches'', and insert ''provides 25 percent of the cost of such facilities.''.

SEC. 7. REPAIR, RESTORATION, AND REPLACEMENT OF DAMAGED FACILITIES.

Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5172, is amended as follows—

(a) Paragraph (2) of subsection (a) is amended to read as follows:

''(2) to a person who owns or operates a private nonprofit facility damaged or destroyed by a major disaster for the repair, restoration, reconstruction, or replacement of such facility and for management expenses incurred by such person, *Provided* That, no contributions shall be made unless the owner or operator of the facility, has applied first for a Small Business Administration disaster loan (15 U.S.C. 636(b)) and (A) has been determined to be ineligible for such a loan, or (B) has obtained a loan in the maximum amount that the Small Business Administration determines it is eligible.''

(b) Subsection (b) is repealed, and new subsection (b) is inserted as follows:

''(b) COST SHARING.—(1) GENERAL RULE.—The President is authorized to provide assistance under this section of not less than 75 percent of the net eligible costs of repair, restoration, reconstruction, or replacement activities which are carried out under this section. The President is authorized to provide assistance under this section up to 90 percent of the net eligible costs of repair, restoration, reconstruction, or replacement activities that are carried out in the aftermath of major disasters which cause catastrophic losses.

''(2) INCREASED FEDERAL COST SHARE.—The President may provide assistance under this section up to 90% of the net eligible costs of repair, restoration, reconstruction, or replacement activities that are carried out under this section for those States or local governments that have implemented hazard mitigation measures in advance of major disasters declared by the President under this Act and that, at minimum, have implemented the standards, incentives and criteria established by the Director under section 203(c) in advance of major disasters declared by the President under this Act.''

''(3) DECREASED FEDERAL COST SHARE.—The President may reduce assistance under this section to amounts less than 75% but not less than 50%, of the net eligible costs of repair, restoration, reconstruction, or replacement activities that are carried out under this section for those States and local governments that are unable or unwilling to take appropriate steps promptly and efficiently to complete the processing of claims for assistance under this section.''

(c) Subsection (c) is repealed, and new subsection (c) is inserted as follows:

''(c) LARGE IN-LIEU CONTRIBUTIONS.—

''(1)(A) FOR PUBLIC FACILITIES.—In any case where a State or local government determines that the public welfare would not be served by repairing, restoring, reconstructing, or replacing any public facility owned or controlled by such State or local government, it may elect to receive, in lieu of a contribution under subsection (a)(1), a contribution of 75 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of management expenses.

''(B) Funds contributed under this subsection may be used to repair, restore, or expand other eligible public facilities, to construct eligible new facilities, or to fund hazard mitigation measures which the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

''(2)(A) FOR PRIVATE NONPROFIT FACILITIES.—In any case where a person who owns or operates a private nonprofit facility determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing such facility, such person may elect to receive, in lieu of a contribution under subsection (a)(2), a contribution of 75 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of management expenses.

''(B) Funds contributed under this subsection may be used to repair, restore, or expand other eligible private nonprofit facilities owned or operated by the applicant, to construct eligible new private nonprofit facilities to be owned or operated by the applicant, or to fund hazard mitigation measures that such private nonprofit organization determines to be necessary to meet a need for its services and functions in the area affected by the major disaster.''

(d) Subsection (e) of section 406 is amended to read as follows—

''(e)(1) For the purposes of this section, the estimate of the cost of repairing, restoring, reconstruction, or replacing a public facility or private nonprofit facility on the basis of the design of such facility as it existed immediately before the major disaster and in conformity with the applicable codes, specifications, and standards in effect at the time of the major disaster declaration (including floodplain management and hazard mitigation criteria required by the President or by the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.) shall be treated as the net eligible cost of such repair, restoration, reconstruction, or replacement.

(2) Within 18 months of enactment of this section, the President shall, through the Director of the Federal Emergency Management Agency, convene an expert panel, including representation from the construction

industry, and shall develop cost-estimating procedures consistent with industry practices.

(e) REPEAL.—Subsection (f) of section 406 is repealed.

SEC. 8. FEDERAL FINANCIAL ASSISTANCE.

(a) Sections 408 and 411 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 USC 5174, are hereby repealed.

(b) New section 408 is added as follows—

"SEC. 408. FEDERAL FINANCIAL ASSISTANCE.

''The President may provide financial assistance and, if necessary, direct services, to disaster victims who, as a direct result of a major disaster, have necessary expenses and serious needs for housing, personal property, medical and dental or funeral expenses, transportation costs, and other needs. The President shall administer the program authorized by this section, and shall promulgate rules and regulations to carry out its provisions (which shall include criteria, standards, and procedures for determining eligibility for assistance).

''No individual or household shall receive financial assistance greater than $25,000 under this section with respect to a single major disaster. Such limit shall be adjusted annually to reflect changes in the Consumer Price Index for all Urban Consumers published by the Department of Labor. The types of assistance that may be provided under this section are as follows—

''(a) HOUSING NEEDS.—The President may provide financial or other assistance to individuals or families to respond to disaster-related housing needs of those who are displaced from their pre-disaster primary residences, or whose pre-disaster residences are rendered uninhabitable as a result of damage caused by a major disaster. Individuals and households who have no pre-disaster residence shall not be provided housing assistance under this section. The most appropriate forms of housing assistance to be provided to disaster victims shall be determined in the President's discretion based upon considerations of cost effectiveness, convenience to disaster victims, and such other factors as the President may deem appropriate. One or more forms of housing assistance may be made available, based on the suitability and availability of the types of assistance to meet the disaster victims' verified needs in the particular disaster situation.

''(1) Housing assistance may be provided to individuals or households to rent alternate housing accommodations or existing rental units, manufactured housing, recreational vehicles, or other readily fabricated dwellings. The President may also directly provide such housing units, acquired by purchase or lease, to individuals or households who, because of lack of available housing resources, would be unable to make use of the assistance provided under this section. Direct assistance shall continue for no longer than 18 months after the President's major disaster declaration, unless the President determines that it would be in the public interest to extend this period due to extraordinary circumstances. After 18 months the President may charge fair market rent for the accommodation being provided. The amount of grant assistance shall be based on the fair market rent for the accommodation being furnished plus the cost of any transportation, utility hook-ups, or unit installation not being directly provided by the President.

''(2) Housing assistance may be provided to repair owner-occupied private residences, utilities, and residential infrastructure (such as private access routes) damaged by a major disaster to habitable condition where such assistance cannot be provided by voluntary agency assistance, insurance proceeds, or through disaster loan benefits from the Small Business Administration.

''(b) CERTAIN PERMANENT HOUSING CONSTRUCTION.—The President may provide financial assistance or direct assistance to individuals or households to construct permanent housing in remote locations (primarily insular areas outside the continental United States) in cases where no alternative housing resources are available; where the types of temporary housing assistance enumerated above are unavailable, infeasible, or not cost-effective; and where such needs cannot be met by voluntary agency assistance, insurance proceeds, or disaster loan benefits from the Small Business Administration.

''(c) SITES.—Any readily fabricated dwelling provided under this section shall whenever possible be located on a site complete with utilities, and is provided by the disaster victim, or the State or local government, by the owner of the site, or by the occupant who was displaced by the major disaster. Readily fabricated dwellings may be located on sites provided by the President if the President determines that such sites would be more economical or accessible.

''(d) DISPOSITION OF UNITS.—Notwithstanding any other provision of law, housing units purchased by the President for the purposes of housing disaster victims may be: ''(1) Sold directly to individuals or households who are occupants of temporary housing units if such individuals and households need permanent housing. Such sales shall be accomplished at prices that are fair and equitable, as determined by the President. Notwithstanding any other provision of law, the proceeds of sales shall be deposited into the appropriate Disaster Relief Fund account. The President may use the services of the General Services Administration to accomplish the sale.

''(2) If not disposed of under paragraph (d)(1) of this section temporary housing units may be resold in the private market. Temporary housing units may also be sold, transferred, donated, or otherwise made available directly to States, other governmental entities, and voluntary organizations for the sole purpose of providing temporary housing to disaster victims in major disasters and emergencies, *Provided* That as a condition of such sale, transfer or donation to States, other governmental agencies, or voluntary organizations a covenant to comply with the nondiscrimination provisions of section 308 is agreed to. The State, other governmental agency, or voluntary organization must also agree to obtain and maintain hazard and flood insurance on the transferred housing unit.

''(e) OTHER NEEDS.—The President is authorized to provide financial assistance to individuals or households adversely affected by a major disaster to meet disaster-related medical, dental, and funeral expenses, where such individuals or households are unable to meet such needs through insurance proceeds or voluntary agency assistance. Financial assistance may also be authorized to address personal property needs, transportation expenses, and other necessary expenses or serious needs resulting from the major disaster where such expenses and needs cannot be met through insurance proceeds, voluntary agency assistance, or through loan assistance from the Small Business Administration.''

(c) Section 502(a)(6) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 502(a)(6), is amended by deleting ''temporary housing''.

SEC. 9 REPEAL.

Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5184, is repealed.

SEC. 10. REPEAL.

Section 422 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5189, is repealed.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. MOYNIHAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 22, a bill to establish a bipartisan national commission to address the year 2000 computer problem.

S. 387

At the request of Mr. HATCH, the name of the Senator from Rhode Island [Mr. REED] was added as a cosponsor of S. 387, a bill to amend the Internal Revenue Code of 1986 to provide equity to exports of software.

S. 464

At the request of Mrs. MURRAY, the names of the Senator from Hawaii [Mr. AKAKA] and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 464, a bill to amend title 38, United States Code, to allow revision of veterans benefits decisions based on clear and unmistakable error.

S. 537

At the request of Ms. MIKULSKI, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 537, a bill to amend title III of the Public Health Service Act to revise and extend the mammography quality standards program.

S. 644

At the request of Mr. D'AMATO, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 644, A bill to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to establish standards for relationships between group health plans and health insurance issuers with enrollees, health professionals, and providers.

S. 657

At the request of Mr. DASCHLE, the names of the Senator from Hawaii [Mr. AKAKA] and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of S. 657, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive military retired pay concurrently with veterans' disability compensation.

S. 912

At the request of Mr. BOND, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 912, a bill to provide for certain military retirees and dependents a special medicare part B enrollment period during which the late enrollment penalty is waived and a special medigap open period during which no under-writing is permitted.

SENATE RESOLUTION 106

At the request of Mr. ROBB, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of

Senate Resolution 106, A resolution to commemorate the 20th anniversary of the Presidential Management Intern Program.

AMENDMENT NO. 420

At the request of Mr. THURMOND the name of the Senator from Maine [Ms. COLLINS] was added as a cosponsor of amendment No. 420 proposed to S. 936, anAn original bill to authorize appropriations for fiscal year 1998 for military ativities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 422

At the request of Mr. GRAMS the names of the Senator from New York [Mr. D'AMATO], the Senator from Missouri [Mr. BOND], the Senator from New Hampshire [Mr. GREGG], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of amendment No. 422 proposed to S. 936, an original bill to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

At the request of Mrs. BOXER her name was added as a cosponsor of amendment No. 422 proposed to S. 936, supra.

AMENDMENT NO. 593

At the request of Mr. WYDEN his name was added as a cosponsor of amendment No. 593 proposed to S. 936, an original bill to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 668

At the request of Mr. WELLSTONE the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KERRY], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of amendment No. 668 proposed to S. 936, an original bill to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE CONCURRENT RESOLUTION 38—RELATIVE TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. ROTH submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 38

Whereas, China resumed sovereignty over Hong Kong on July 1, 1997;

Whereas, in the Joint Declaration of the United Kingdom and the People's Republic of China, a legally binding document in all its parts and the highest form of commitment between sovereign states, the People's Republic of China pledged that after its resumption of sovereignty over Hong Kong, ''The current social and economic systems in Hong Kong will remain unchanged, and so will the life-style. Rights and freedoms, including those of the person, of speech, of the press, of association, of travel, of movement, of correspondence, of strike, of choice of occupation, of academic research and religious belief will be ensured by law in the Hong Kong Special Administrative Region'';

Whereas, the People's Republic of China further pledged in the Joint Declaration that the policies of the ''* * * Joint Declaration will be stipulated in a Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, by the National People's Congress of the People's Republic of China, and they will remain unchanged for 50 years'';

Whereas, the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, as adopted on April 4, 1990 by the Seventh National People's Congress of the People's Republic of China, prescribes the systems to be practiced in the Hong Kong Special Administrative Region after China's resumption of sovereignty;

Whereas, according to Article 2 of the Basic Law, ''The National People's Congress authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication'';

Whereas, according to Article 5 of the Basic Law, ''The socialist system and policies [of the People's Republic of China] shall not be practiced in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years'';

Whereas, according to Article 27 of the Basic Law, ''Hong Kong residents shall have freedom of speech, of the press and publication; freedom of association, of assembly, of procession and of demonstration; and the right and freedom to form and join trade unions, and to strike'';

Whereas, according to Article 32 of the Basic Law, ''Hong Kong residents shall have freedom of religious belief and freedom to preach and to conduct and participate in religious activities in public'';

Whereas, according to Article 34 of the Basic Law, ''Hong Kong residents shall have freedom to engage in academic research, literary and artistic creation, and other cultural activities'';

Whereas, according to Article 39 of the Basic Law, ''The provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international labour conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region'';

Whereas, President Jiang Zemin of China, in his statement of July 1, 1997, at the ceremony in Hong Kong marking the establishment of the Hong Kong Special Administrative Region said, ''* * * Hong Kong will enjoy a high degree of autonomy as provided for by the Basic Law, which includes the executive, legislative and independent judicial power, including that of final adjudication'';

Whereas, President Jiang further said that the Hong Kong Special Administrative Region has the ''ultimate aim of electing the Chief Executive and the Legislative Council by universal suffrage'';

Whereas, President Jiang further said that ''No central department or locality [of the People's Republic of China] may or will be allowed to interfere in the affairs which, under the Basic Law, should be administered by the Hong Kong Special Administrative Region on its own'';

Whereas, President Jiang further said that ''the provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international covenants as applied to Hong Kong shall remain in force to be implemented through the laws of Hong Kong's regional legislation'';

Whereas, President Jiang further said that adherence to these principles ''serves Hong Kong, serves the [People's Republic of China] and serves the entire nation as well. Therefore there is no reason whatsoever to change them. Here I want to reaffirm that 'one country, two systems, Hong Kong administering Hong Kong' and 'a high degree of autonomy' will remain unchanged for 50 years'';

Whereas, President Jiang, in another statement of July 1, 1997, at a rally in Beijing marking the establishment of the Hong Kong Special Administrative Region, said that the People's Republic of China ''will unswervingly carry out the principles of 'one country, two systems', 'Hong Kong people administering Hong Kong' and 'high degree of autonomy', and make sure that the previous socio-economic system and way of life of Hong Kong remain unchanged and that laws previously in force will remain basically unchanged. We will firmly support the Hong Kong SAR in its exercise of the functions and powers bestowed on it by the basic law and the Hong Kong SAR Government in its administration in accordance with law.'';

Now, therefore, be it *Resolved by the Senate (the House of Representatives concurring),* that

(1) President Jiang Zemin's statements constitute a welcome reaffirmation of the obligations of the People's Republic of China under the Joint Declaration and the basic law to ensure that Hong Kong remains autonomous, the human rights of the people of Hong Kong remain protected, and the government of the Hong Kong SAR is elected democratically; and

(2) China's fulfillment of these obligations under the terms of the Joint Declaration of the United Kingdom and the People's Republic of China and the Basic Law constitute a crucial test of Beijing's ability to play a responsible global role.

Mr. ROTH, Mr. President, I rise today to submit a sense of the Congress Resolution on the obligations of the People's Republic of China under the Joint Declaration and the basic law to ensure that Hong Kong remains autonomous, the human rights of the people of Hong Kong remain protected, and the government of the Hong Kong Special Administrative Region [SAR] is elected democratically.

On July 1, 1997, Hong Kong returned peacefully to Chinese sovereignty under terms of the Joint Declaration of the United Kingdom and the People's Republic of China and the Basic Law of the Hong Kong SAR. Among other provisions, those two documents commit the People's Republic of China to maintain the current social and economic systems of Hong Kong and the rights, freedoms, and lifestyles of the people of Hong Kong.

China's willingness to abide by the terms of those two documents constitutes a crucial test of Beijing's ability to play a responsible global role. In

two important and welcome statements on July 1—one in Hong Kong and one in Beijing—President Jiang Zemin reiterated China's commitment to abide by those terms.

What this concurrent resolution does is list some key provisions of the Joint Declaration and the Basic Law guaranteeing Hong Kong's freedoms and President Jiang's statements reaffirming Beijing's commitments to respect those provisions, and go on to point out that China's willingness to live up to its commitments will be a crucial test of Beijing's ability to play a responsible global role.

Because of the importance of Hong Kong's reversion, I urge all my colleagues to join me in making passage of this concurrent resolution possible.

AMENDMENTS SUBMITTED

THE DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

COATS AMENDMENT NO. 789

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 936, to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

Beginning with line 3, strike out all through the end of the amendment and insert in lieu thereof the following:

(a) LIMITATIONS.—(1) Of the funds authorized to be appropriated under section 201(3) for engineering manufacturing and development under the F–22 aircraft program, not more than $1,651,000,000 may be obligated before the Secretary of Defense submits the two analyses required under subsection (b).

(2) So much of the funds referred to in subsection (a) that exceed $1,651,000,000 may be obligated (after compliance with the requirements of subsection (b)) only in accordance with subsection (c).

(b) ANALYSES REQUIRED.—The Secretary of Defense shall submit to the congressional defense committees two analyses by the Cost Analysis Improvement Group of the Office of the Secretary, as follows:

(1) An analysis of the extent to which joint Air Force and contractor cost reduction initiatives for the F–22 aircraft program alter the analysis of costs of the program that has been previously prepared by that group.

(2) An analysis of the likelihood that the joint initiatives referred to in paragraph (1) will result in production improvements sufficient to produce the F–22 aircraft at a unit flyaway price of not more than $72,000,000.

(c) INCREMENTAL RELEASE OF FUNDS UPON COMPLETION OF PHASES.—(1) When a phase described in paragraph (2) has been successfully completed, the Under Secretary of Defense for Acquisition and Technology shall submit a certification of the successful completion of the phase to the congressional defense committees. After the certification is submitted, one-third of the amount that is subject to the limitation in subsection (a)(2) may be obligated for the F–22 aircraft program.

(2) For purposes of paragraph (1), the phases are as follows:

(A) Phase I, which shall consist of validation of the following by use of engine test data and aircraft design analysis:

(i) Combat radius, subsonic, supersonic, and subsonic mission radius.

(ii) Maneuverability at 0.9 mach at 30,000 feet altitude.

(iii) Supercruise capability at Vmax, optimal altitude at military power.

(iv) Acceleration from 0.8 mach to 1.5 mach at 30,000 feet altitude.

(B) Phase II, which shall consist of the following:

(i) Completion of the final review of production readiness.

(ii) Final production plans and production automation systems in place.

(iii) Establishment of policies and procedures for analysis of the factory industrial modernization improvement plan.

(C) Phase III, which shall consist of completion of validation and demonstration of engine full flight release.

THURMOND AMENDMENT NO. 790

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 936, supra; as follows:

Beginning with line 3, strike out all through the end of the amendment and insert in lieu thereof the following:

(a) LIMITATIONS.—(1) Of the funds authorized to be appropriated under section 201(3) for engineering, manufacturing and development under the F–22 aircraft program, not more than $1,651,000,000 may be obligated before the Secretary of Defense submits the two analyses required under subsection (b).

(2) So much of the funds referred to in subsection (a) that exceed $1,651,000,000 may be obligated (after compliance with the requirements of subsection (b)) only in accordance with subsection (c).

(b) ANALYSES REQUIRED.—The Secretary of Defense shall submit to the congressional defense committees two analyses by the Cost Analysis Improvement Group of the Office of the Secretary, as follows:

(1) An analysis of the extent to which joint Air Force and contractor cost reduction initiatives for the F–22 aircraft program alter the analysis of costs of the program that has been previously prepared by that group.

(2) An analysis of the likelihood that the joint initiatives referred to in paragraph (1) will result in production improvements sufficient to produce the F–22 aircraft at a unit flyaway price of not more than $72,000,000.

(e) INCREMENTAL RELEASE OF FUNDS UPON COMPLETION OF PHASES.—(1) When a phase described in paragraph (2) has been successfully completed, the Under Secretary of Defense for Acquisition and Technology shall submit a certification of the successful completion of the phase to the congressional defense committees. After the certification is submitted, one-third of the amount that is subject to the limitation in subsection (a)(2) may be obligated for the F–22 aircraft program.

(2) For purposes of paragraph (1), the phases are as follows:

(A) Phase I, which shall consist of validation of the following by use of engine test data and aircraft design analysis:

(i) Combat radius, subsonic, supersonic, and subsonic mission radius.

(ii) Maneuverability at 0.9 mach at 30,000 feet altitude.

(iii) Supercruise capability at Vmax, optimal altitude at military power.

(iv) Acceleration from 0.8 mach to 1.5 mach at 30,000 feet altitude.

(B) Phase II, which shall consist of the following:

(i) Completion of the final review of production readiness.

(ii) Final production plans and production automation systems in place.

(iii) Establishment of policies and procedures for analysis of the factory industrial modernization improvement plan.

(C) Phase III, which shall consist of completion of validation and demonstration of engine full flight release.

CLELAND AMENDMENTS NOS. 791–792

(Ordered to lie on the table.)

Mr. CLELAND submitted two amendments intended to be proposed by him to amendment No. 715 proposed by Mr. COVERDELL to the bill, S. 936, supra; as follows:

AMENDMENT NO. 791

Strike out lines 3 and 4 and insert in lieu thereof the following:

SEC. 310A. CONTRACTED TRAINING FLIGHT SERVICES.

Of the amount authorized to be appropriated under section 301(4), $12,000,000 may be used for contracted training flight services.

AMENDMENT NO. 792

Strike out lines 1 and 2.

CLELAND (AND COVERDELL) AMENDMENT NO. 793

(Ordered to lie on the table.)

Mr. CLELAND (for himself and Mr. COVERDELL) submitted an amendment to be proposed by them to the bill, S. 936, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 369. CONTRACTED TRAINING FLIGHT SERVICES.

Of the amount authorized to be appropriated under section 301(4), $12,000,000 may be used for contracted training flight services.

GRAMM AMENDMENT NO. 794

(Ordered to lie on the table.)

Mr. GRAMM proposed an amendment to amendment No. 779 proposed by Mr. LEVIN to the bill, S. 936, supra; as follows:

Strike all in amendment No. 778 and insert in lieu thereof the following:

''The Department of Defense and Federal Prison Industries shall conduct jointly a study of existing procurement procedure regulations, and statutes which now govern procurement transactions between the Department of Defense and Federal Prison Industries.

''A report describing the findings of the study and containing recommendations on the means to improve the efficiency and reduce the cost of such transactions shall be submitted to the U.S. Senate Committee on Armed Services no later than 180 days after the date of enactment of this act.''

CONRAD (AND OTHERS) AMENDMENT NO. 795

Mr. CONRAD (for himself, Mr. DORGAN, Mr. WELLSTONE, Mr. JOHNSON, and

Mr. DASCHLE) proposed an amendment to the bill, S. 936, supra; as follows:

At the end of title X, add the following:

SEC. . CLAIMS BY MEMBERS OF THE ARMED FORCES FOR LOSS OF PERSONAL PROPERTY DUE TO FLOODING IN THE RED RIVER BASIN.

(a) FINDINGS.—Congress makes the following findings:

(1) The flooding that occurred in the portion of the Red River Basin encompassing East Grand Forks, Minnesota, and Grand Forks, North Dakota, during April and May 1997 is the worst flooding to occur in that region in the last 500 years.

(2) Over 700 military personnel stationed in the vicinity of Grand Forks Air Force Base reside in that portion of the Red River Basin.

(3) The military personnel stationed in the vicinity of Grand Forks Air Force Base have been stationed there entirely for the convenience of the Government.

(4) There is insufficient military family housing at Grand Forks Air Force Base for all of those military personnel, and the available off-base housing is almost entirely within the areas adversely affected by the flood.

(5) Many of the military personnel have suffered catastrophic losses, including total losses of personal property by some of the personnel.

(6) It is vital to the national security interests of the United States that the military personnel adversely affected by the flood recover as quickly and completely as possible.

(b) AUTHORIZATION.—The Secretary of the military department concerned may pay claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997, by members of the Armed Forces residing in the vicinity of Grand Forks Air Force Base, North Dakota, without regard to the provisions of section 3721(e) of title 31, United States Code.

DODD (AND OTHERS) AMENDMENT NO. 796

(Ordered to lie on the table.)

Mr. DODD (for himself, Mr. BREAUX, and Mr. TORRICELLI) submitted an amendment intended to be proposed by them to the bill, S. 936, supra; as follows:

On page 347, between lines 15 and 16, insert the following:

SEC. 1075. REDRESS FOR THE OCCUPATION OF INSTALLATIONS IN BERMUDA BY THE ARMED FORCES.

(a) FINDINGS.—Congress makes the following findings:

(1) The Armed Forces of the United States occupied approximately one-tenth of the land in Bermuda for more than 50 years.

(2) The presence of the Armed Forces in Bermuda contributed to the national security of the United States during World War II and through the Cold War.

(3) The Armed Forces occupied installations in Bermuda under the 1941 Leased Bases Agreement which specified that the United States not make rental payments for the use of the installations.

(4) On September 1, 1995, the Armed Forces relinquished control of the installations in Bermuda that were occupied by the Armed Forces under that agreement.

(5) Both before and after the withdrawal of the Armed Forces from Bermuda, Bermuda authorities identified a number of problems associated with the occupation of installations in Bermuda by the Armed Forces, including the presence of asbestos at such installations, the presence of soil and groundwater pollution associated with the disposal of industrial waste and sewage, the presence of fuel, storage tanks, and pipelines, and the presence of other hazardous materials.

(b) REVIEW OF EFFECTS OF OCCUPATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report on the problems associated with—

(1) the occupation of military installations in Bermuda by the Armed Forces of the United States; and

(2) the withdrawal of the Armed Forces from such installations in 1995.

(c) AUTHORITY TO PROVIDE HUMANITARIAN OR CIVIC ASSISTANCE.—The Secretary may, at the direction of the President in cooperation with the Bermuda authorities, provide humanitarian or civic assistance to Bermuda under section 401 of title 10, United States Code, or provide humanitarian assistance to Bermuda under section 2551 of such title, in order to redress the damage to public facilities in Bermuda that resulted from the occupation of such facilities by the Armed Forces of the United States.

THURMOND AMENDMENT NO. 797

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 936, supra; as follows:

Beginning on page 2, strike out line 11 and all that follows through ''(d)'' on page 4, line 12, and insert in lieu thereof the following:

Senate. Subject to subsection (b), the appointment shall be made from among officers of the regular Army or officers of the regular Air Force.

''(b) ROTATION OF OFFICE.—An officer of the Army may be succeeded as Senior Representative of the National Guard Bureau only by an officer of the Air Force, and an officer of the Air Force may be succeeded as Senior Representative of the National Guard Bureau only by an officer of the Army. An officer may not be reappointed to a consecutive term as Senior Representative of the National Guard Bureau.

''(c) TERM OF OFFICE.—An officer appointed as Senior Representative of the National Guard Bureau serves at the pleasure of the President for a term of four years.

''(d) GRADE.—The Senior Representative of the National Guard Bureau shall be appointed to serve in the grade of general and shall not be counted for the purposes of the limitations in sections 525 and 526 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''10509. Senior Representative of the National Guard Bureau.''.

(b) ADJUSTMENT OF RESPONSIBILITIES OF CHIEF OF THE NATIONAL GUARD BUREAU.—(1) Section 10502(c) of title 10, United States Code, is amended by inserting '', and to the Senior Representative of the National Guard Bureau,'' after ''Chief of Staff of the Air Force,''.

(2) Section 10504(a) of such title is amended in the second sentence by inserting '', and in consultation with the Senior Representative of the National Guard Bureau,'' after ''Secretary of the Air Force''.

(c)

THURMOND AMENDMENT NO. 798

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to amendment No. 764 proposed by Mr. STEVENS to the bill, S. 936, supra; as follows:

Beginning on page 2, strike out line 11 and all that follows through page 3, line 19, and insert in lieu thereof the following:

Senate. Subject to subsection (b), the appointment shall be made from among officers of the regular Army or officers of the regular Air Force.

''(b) ROTATION OF OFFICE.—An officer of the Army may be succeeded as Senior Representative of the National Guard Bureau only by an officer of the Air Force, and an officer of the Air Force may be succeeded as Senior Representative of the National Guard Bureau only by an officer of the Army. An officer may not be reappointed to a consecutive term as Senior Representative of the National Guard Bureau.

''(c) TERM OF OFFICE.—An officer appointed as Senior Representative of the National Guard Bureau serves at the pleasure of the President for a term of four years.

''(d) GRADE.—The Senior Representative of the National Guard Bureau shall be appointed to serve in the grade of general and shall not be counted for the purposes of the limitations in sections 525 and 526 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''10509. Senior Representative of the National Guard Bureau.''.

(b) MEMBER OF JOINT CHIEFS OF STAFF.—Section 151(a) of title 10, United States Code, is amended by adding at the end the following:

''(7) The Senior Representative of the National Guard Bureau.''.

(c) ADJUSTMENT OF RESPONSIBILITIES OF CHIEF OF THE NATIONAL GUARD BUREAU.—(1) Section 10502 of title 10, United States Code, is amended by inserting '', and to the Senior Representative of the National Guard Bureau,'' after ''Chief of Staff of the Air Force,''.

(2) Section 10504(a) of such title is amended in the second sentence by inserting '', and in consultation with the Senior Representative of the National Guard Bureau,'' after ''Secretary of the Air Force''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1998.

BINGAMAN (AND DORGAN) AMENDMENT NO. 799

Mr. BINGAMAN (for himself and Mr. DORGAN) proposed an amendment to the bill, S. 936, supra; as follows:

At the end of subtitle A of title X, add the following:

SEC. 1009. INCREASED AMOUNTS FOR AIR FORCE AND NAVY FLYING HOURS.

(a) INCREASE.—Notwithstanding any other provision of this Act, the amount authorized to be appropriated under section 301(2) is hereby increased by $59,000,000, and the amount authorized under section 301(4) is hereby increased by $59,000,000.

(b) DECREASE.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated under section 201(4) is hereby decreased by $118,000,000.

KERRY (AND OTHERS) AMENDMENT NO. 800

Mr. KERRY (for himself, Mr. MCCAIN, Mr. KERREY, Mr. ROBB, Mr. HAGEL, Mr. CLELAND, Mr. BIDEN, Mr. HELMS, and Mrs. FEINSTEIN) proposed an amendment to the bill S. 936, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . (a) FINDINGS.—The Congress finds that—

(1) during the 1970s and 1980s Cambodia was wracked by political conflict, war and violence, including genocide perpetrated by the Khmer Rouge from 1975 to 1979;

(2) the 1991 Paris Agreements on a Comprehensive Political Settlement of the Cambodia Conflict set the stage for a process of political accommodation and national reconciliation among Cambodia's warring parties;

(3) the international community engaged in a massive, more than $2 billion effort to ensure peace, democracy and prosperity in Cambodia following the Paris Accords;

(4) the Cambodian people clearly demonstrated their support for democracy when 90 percent of eligible Cambodian voters participated in UN-sponsored elections in 1993;

(5) since the 1993 elections, Cambodia has made economic progress, as evidenced by the decision last month of the Association of Southeast Asian Nations to extend membership to Cambodia;

(6) tensions within the ruling Cambodian coalition have erupted into violence in recent months as both parties solicit support from former Khmer Rouge elements, which had been increasingly marginalized in Cambodian politics;

(7) in March, 19 Cambodians were killed and more than 100 were wounded in a grenade attack on political demonstrators supportive of the Funcinpec and the Khmer Nation Party;

(8) during June fighting erupted in Phnom Penh between forces loyal to First Prime Minister Prince Ranariddh and second Prime Minister Hun Sen;

(9) on July 5, Second Prime Minister Hun Sen deposed the First Prime Minister in a violent coup d'etat;

(10) forces loyal to Hun Sen have executed former Interior Minister Ho Sok, and targeted other political opponents loyal to Prince Ranariddh;

(11) democracy and stability in Cambodia are threatened by the continued use of violence to resolve political tensions;

(12) the Administration has suspended assistance for one month in response to the deteriorating situation in Cambodia;

(13) the Association of Southeast Asian Nations has decided to delay indefinitely Cambodian membership.

(b) SENSE OF CONGRESS—It is the sense of Congress that—

(1) the parties should immediately cease the use of violence in Cambodia;

(2) the United States should take all necessary steps to ensure the safety of American citizens in Cambodia;

(3) the United States should call an emergency meeting of the United Nations Security Council to consider all options to restore peace in Cambodia;

(4) the United States and ASEAN should work together to take immediate steps to restore democracy and the rule of law in Cambodia;

(5) U.S. assistance to the government of Cambodia should remain suspended until violence ends, the democratically elected government is restored to power, and the necessary steps have been taken to ensure that the elections scheduled for 1998 take place;

(6) the United States should take all necessary steps to encourage other donor nations to suspend assistance as part of a multilateral effort

COATS (AND OTHERS)—AMENDMENT NO. 801

(Ordered to lie on the table.)

Mr. COATS (for himself, Mr. BREAUX, Mr. SMITH of Oregon, and Mr. BROWNBACK) submitted an amendment intended to be proposed by them to the bill, S. 936, supra; as follows:

At the end of subtitle E of title X, add the following:

SEC. 1075. SENSE OF THE SENATE REGARDING EXPANSION OF THE NORTH ATLANTIC TREATY ORGANIZATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The North Atlantic Treaty Organization (NATO) met July 8 and 9, 1997, in Madrid, Spain, and issued invitations to the Czech Republic, Hungary, and Poland to begin accession talks to join NATO.

(2) Congress has expressed its support for the process of NATO enlargement by approving the NATO Enlargement Facilitation Act of 1996 (Public Law 104–208; 22 U.S.C. 1928 note) by a vote of 81–16 in the Senate, and 353–65 in the House of Representatives.

(3) The United States has ensured that the process of enlarging NATO will continue after the first round of invitations were issued this July.

(4) Romania and Slovenia are to be commended for their progress toward political and economic reform and their meeting the guidelines for prospective NATO membership.

(5) In furthering NATO's purpose and objective of promoting stability and well-being in the North Atlantic area, NATO should invite Romania, Slovenia, and any other democratic states of Central and Eastern Europe to accession negotiations to become NATO members as expeditiously as possible upon their satisfaction of all relevant membership criteria.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that NATO should be commended for having committed to review the enlargement process at its next summit in 1999 and for singling out the positive developments in Romania and Slovenia toward democracy and the rule of law.

LEVIN (AND OTHERS) AMENDMENT NO. 802

Mr. LEVIN (for himself, Mr. REED, and Mr. MCCAIN) proposed an amendment to amendment No. 759 proposed by Mr. FEINGOLD to the bill, S. 936, supra; as follows:

Strike out the section heading and all that follows and insert in lieu thereof the following:

SEC. 1075. SENSE OF CONGRESS REGARDING A FOLLOW-ON FORCE FOR BOSNIA AND HERZEGOVINA.

It is the sense of Congress that—

(1) United States ground combat forces should not participate in a follow-on force in Bosnia and Herzegovina after June 1998;

(2) the European Security and Defense Identity, which, as facilitated by the Combined Joint Task Forces concept, enables the Western European Union, with the consent of the North Atlantic Alliance, to assume political control and strategic direction of NATO assets made available by the Alliance, is an ideal instrument for a follow-on force for Bosnia and Herzegovina;

(3) if the European Security and Defense Identity is not sufficiently developed or is otherwise deemed inappropriate for such a mission, a NATO-led force without the participation of United States ground combat forces in Bosnia, may be suitable for a follow-on force for Bosnia and Herzegovina;

(4) the United States may decide to appropriately provide support to a Western European Union-led or NATO-led follow-on force, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in a neighboring country; and

(5) the President should inform our European NATO allies of this expression of the sense of Congress and should strongly urge them to undertake preparations for a Western European Union-led or NATO-led force as a follow-on force to the NATO-led Stabilization Force if needed to maintain peace and stability in Bosnia and Herzegovina.

NOTICE OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry's Subcommittee on Forestry, Conservation, and Rural Revitalization will hold a hearing on Thursday, July 17, 1997, at 2:30 p.m., in SR–328A to receive testimony regarding the State and Private Forestry Programs and the Northern Forestry Stewardship Act.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will hold a full committee hearing on Tuesday, July 22, 1997, at 9:30 a.m., in SR–328A to receive testimony from Environmental Protection Agency Administrator Carol Browner regarding the implementation of the newly proposed clean air regulations.

COMMITTEE ON ENERGY AND NATURAL RESOURCES—SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 17, 1997, at 2 p.m., in room DS–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 895, to designate the reservoir created by Trinity Dam in the Central Valley Project, CA, as ''Trinity Lake''; S. 931, to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center; and, S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the Subcommittee staff at (202) 224–5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES—SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 24, 1997, at 2 p.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review the process by which the National Park Service determines the suitability and feasibility of new areas to be added to the National Park System, and to examine the criteria used to determine national significance.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the Subcommittee staff at (202) 224–5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES—SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, July 30, 1997, at 2 p.m., in room DS–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review the management and operations of concession programs within the National Park System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the Subcommittee staff at (202) 224–5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 10, for purposes of conducting a joint oversight hearing with the House Committee on Resources which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to receive testimony on the final draft of the Tongass Land Management Plan as the first step in the congressional review process provided by the 1996 amendments to the Regulatory Flexibility Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 10, for purposes of conducting a Subcommittee on National Parks, Historic Preservation, and Recreation hearing which is scheduled to begin at 2 p.m. The purpose of this oversight hearing is to review the preliminary findings of the General Accounting Office concerning a study on the health, condition, and viability of the range and wildlife populations in Yellowstone National Park.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be granted permission to conduct a hearing Thursday, July 10, 9:30 a.m., hearing room SD–406, on climate change.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 10, 1997, at 10 a.m., to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee Special Investigation to meet on Thursday, July 10, at 10 a.m., for a hearing on campaign financing issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, July 10, 1997, at 2 p.m., in room 562 of the Dirksen Senate Building to conduct an oversight hearing on the administration's proposal to restructure Indian gaming fee assessments.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold an executive business meeting during the session of the Senate on Thursday, July 10, 1997, at 9:30 a.m., in room 226 of the Senate Dirksen Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Employment and Training be authorized to meet for a hearing on vocational rehabilitation during the session of the Senate on Thursday, July 10, 1997, at 9:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL SERVICES AND TECHNOLOGY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Financial Services and Technology of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 10, 1997, to conduct an oversight hearing on financial institutions and the year 2000 problem.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC HEALTH AND SAFETY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Public Health and Safety be authorized to meet for a hearing on occupational safety and health administration during the session of the Senate on Thursday, July 10, 1997, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 10, 1997, at 4:30 p.m., to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TOO SLOW

● Mr. MOYNIHAN. Mr. President, the headline on the front page of the Business Section in today's Washington Post reads ''Government Said To Move Too Slowly on Year 2000 Computer Problem.'' Mr. President, slowly at best.

The Federal Government has been outright dilatory in addressing this problem. There are three stages in the process: assessment, renovation, and implementation—the third stage takes the longest. According to the OMB report released today, of the 4,500 mission critical computer systems in the

Federal Government, 6 percent have been implemented, 17 percent have been renovated, and only 65 percent of the systems have even been assessed. A spokesman for the GIGA firm of Cambridge MA, that specializes in this issue, said: ''They're not on a time schedule that looks like it's going to be doable.'' I need not remind my colleagues that the clock is ticking.

Be assured that in the year 2000, we will be blamed if we have not addressed the problem. And rightly so. Cosponsored by six other Senators, my bill, S. 22, will create a commission to see that the problem is fixed and increase the lagging private sector awareness of this crisis.

I ask that the text of the Washington Post article be printed in the RECORD.

The article follows:

GOVERNMENT SAID TO MOVE TOO SLOWLY ON YEAR 2000 COMPUTER PROBLEM

(By Rajiv Chandrasekaran)

The federal government could face a partial computer crash in the year 2000 because it is moving too slowly to fix its machines so they will understand dates that don't begin with ''19,'' according to a growing number of technology specialists.

Of the nearly 4,500 ''mission-critical'' computer systems the government needs to repair—which include those that handle defense, air traffic control and income tax functions—only 6 percent have been fixed, according to an Office of Management and Budget report that will be released at a House subcommittee hearing today.

About 35 percent of those computers needing repairs have not even undergone a systems analysis, the first and simplest step in the renovation process, the report said.

''They're not on a time schedule that looks like it's going to be doable,'' said Ann K. Coffou, a research director at Giga Information Group, a Cambridge, Mass., industry research firm that specializes in so-called year 2000 issues. ''They're suffering from 'analysis paralysis.' There's too much work to be done . . . and at this point in the game, it's very, very distressing.''

Most large computer systems use a two-digit dating system that assumes 1 and 9 are the first two digits of the year. Without specialized reprogramming, the systems will think the year 2000—or 00—is 1900, a glitch that is expected to make most of them go haywire unless the problem is fixed.

For the government, the year 2000 problem could result in computers that come to a sudden halt and others that generate erroneous data, such as wrong Medicare checks or tax bills, computer experts say. In a worst-case scenario, computers that control military defense systems or sensitive communications between federal agencies could be rendered inoperable, some specialists warn.

Thomas D. Oleson, a year 2000 computer analyst at International Data Corp., a consulting firm in Framingham, Mass., characterized the government's situation as ''way behind the eight ball.'' Fixing the government's computers on time, he said, ''is nearing the point of impossibility.''

Oleson and other industry analysts expect the federal computer systems that handle the government's most critical functions to be fixed before the Dec. 31, 1999, deadline. But many other systems, including some that perform significant tasks for federal employees and ordinary people, could still be in the electronic repair shop in 2000, they warn.

''It's become increasingly clear that agencies are not going to be able to correct everything before the year 2000,'' said Joel C. Willemssen, the director of information resources management at the General Accounting Office, the watchdog arm of Congress. ''We're going to have to start making priorities among all the systems we view as critical.''

The specialists said it is too early to identify specific systems that might not be reprogrammed in time, but they said those would become clearer later this year as agencies begin focusing their efforts.

In its report, which was produced at the behest of a congressional committee, the OMB maintains that the progress of federal agencies is generally on schedule and that the agencies ''have made a good start in addressing the year 2000 problem.''

Of the 7,649 computer systems in the executive branch other than the Social Security Administration, 21 percent—or 1,598—already comply with year 2000 requirements. An additional 9 percent will be fully replaced and 8 percent will be scrapped, the report said.

At Social Security, long hailed as the federal agency that has been most attentive to year 2000 problems, 71 percent of its systems don't need to be fixed. Of those that do need repairing, half have been fixed, the report said.

The report estimates the cost of renovating computers throughout the government at $2.8 billion, a $500 million increase from an estimate released by the OMB in February. OMB officials said yesterday that figure is expected to cross the $3 billion mark and could eventually grow to as much as $5 billion.

''There's still a lot of work to be done, but I think we're on track,'' said Sally Katzen, OMB's director of information and regulatory affairs, who has been spearheading the government's year 2000 efforts.

The report identifies the Agriculture, Education, Justice and Transportation departments as those that have about half their systems or more left to analyze. No department, except for Interior and Veterans Affairs, has more than 25 percent of its systems renovated.

At the Department of Housing and Urban Development, which has 206 computer systems, 115 need to be repaired. Although the department is halfway through analyzing those 115 systems, it has only renovated 2 percent of them, the report said.

At the Defense Department, which has almost 4,000 systems, by far the most of any government agency, more than 2,700 of them need to be fixed. The agency is only 23 percent done with renovating the systems, and only 8 percent of them actually have been tested and are considered fully fixed, according to the document.

The government's progress is expected to come under fire from members of the House Science Committee and the Government Reform and Oversight Committee, which are holding a joint hearing into the matter today, congressional aides said. In addition to questioning the pace of repair work, committee leaders will criticize several agencies' schedules for repairs, which call for finishing work in November and December 1999.

''They haven't left themselves with a margin for error in case something goes wrong,'' said Rep. Constance A. Morella (R-Md.), chairwoman of the Science Committee's technology subcommittee.

Committee members also will probe whether any government agencies are now buying software that is not year 2000 compliant, aides said.

STATE OF REPAIR—STATUS OF MISSION-CRITICAL SYSTEMS BEING REPAIRED AT SELECTED AGENCIES

Agency	Number of systems	Assessment percent complete	Renovation percent complete	Implementation percent complete
Agriculture	469	41	0	0
Commerce	162	75	7	5
Defense	2,752	64	23	8
Education	7	30	0	0
HUD	115	50	2	2
Justice	118	52	2	0
DOT	132	50	10	0
NASA	211	75	2	1
All federal agencies	4,493	65	17	6

Source: Office of Management and Budget.●

TRIBUTE TO THE STUDENTS OF HEMPFIELD HIGH SCHOOL

● Mr. SANTORUM. Mr. President, I rise today to commend some students from Landisville, PA, for their outstanding effort in the We the People. . . . The Citizens and the Constitution national finals.

In this competition, 20 students from Hempfield High School participated in a simulated congressional hearing. Testifying as constitutional experts, they argued points of law before a panel of judges. By all accounts, they demonstrated a remarkable understanding of the American constitutional government.

Mr. President, I ask my colleagues to join me in congratulating Paul Brewer, Lauren Charles, Benjamin Coons, Andrew Fergusson, Michael Hollinger, Noah Hunt, Derrick Karimi, Rebecca Kinsey, Benjamin Kornfield, Nathaniel Kraft, Rachel Moore, Derick Mundey, Elizabeth Myers, Megan Newcomer, Alison Miebanck, Jessica Petocz, Stella Reno, Melissa Sanders, David Stairs, and Brandon Zeigler, and their teacher Elaine Savukas for their outstanding performance. I urge these young people to use the knowledge they acquired from this experience to continue upholding the principles that have made this country great.●

CHILDREN'S DENTAL HEALTH

● Mr. HARKIN. Mr. President, Disraeli once described the youth of a nation as, the trustees of posterity. I interpret that to mean that the future promise of any country can be directly measured by the present prospects of its young people. Whatever we invest today in promoting and protecting our youth will bring a high return in the future.

For that reason, I am pleased that the Senate has taken some first steps to address the growing problem of uninsured children.

I have to say I am still astounded by the fact that this great Nation could allow 10 million children to go without health insurance. Just think about it. At a time when the economy is sound and unemployment is at a 23-year low, one in seven of America's children lack a basic protection that every one of us enjoys.

Uninsured children are less likely to be fully immunized against preventable

illnesses, or to receive care for chronic conditions and injuries. And usually whatever care they receive takes place in a hospital emergency room—one of the most expensive settings possible.

As we consider how best to extend health insurance coverage to this important segment of the population, I want to call my colleagues' attention to one aspect of this problem that is often overlooked. I am speaking about the oral health of children.

For some reason, many of us often fail to realize that oral health is an integral part of a person's overall health. Tooth decay and serious infections are just some of the chronic health problems that can result when oral health is ignored. At the same time, there is a strong relationship between oral health and other medical conditions that manifest symptoms in the mouth. Regular dental check-ups, or example, provide an early warning system for diabetes, certain forms of cancer, and immune disorders like AIDS.

According to the U.S. Public Health Service, dental and oral diseases may well be the most prevalent—and preventable—conditions affecting children. And while we have seen improvement overall, certain groups of children continue to suffer more than their share of oral health problems, primarily because of their limited access to oral health services. Poor children—usually minority, migrant, and many in rural communities—are the ones most seriously affected.

You might ask ''doesn't Medicaid help these children?'' It should, if they happen to be eligible. But while Medicaid accounts for about 80 percent of public funds spent for oral health, only about 1 percent of Medicaid funds are spent on dental care. And as we have heard, many of the uninsured children are in working poor families that are just above the Medicaid cut-off for eligibility. These children have no protection whatsoever.

The sad irony is that dental care embodies the very qualities that make for a good health care system. Unlike medical coverage, which is triggered by illness, dental coverage emphasizes prevention. How important is that? According to the National Institute of Dental Research, every dollar spent on preventive dental care saves $4 in treatment costs.

And dental coverage favors primary care over more expensive specialized treatment. Regular checkups mean your local dentist can catch and treat problems before they require a specialist.

One recent study found that persons with dental coverage are almost twice as likely to visit a dentist, and more than 70 percent of those covered by insurance have annual checkups and receive preventive care.

All of which is to say, dental coverage for children is not only good social policy; it is good economic policy as well.

If we truly want to extend basic health protection to our children, I urge my colleagues to include dental health coverage in any final legislation we send to the President.●

TRIBUTE TO PAUL STAUDENMAIER

● Mr. WELLSTONE. Mr. President, I rise to pay tribute to Paul D. Staudenmaier, executive director of the Boys and Girls Club of Duluth, MN. On September 13, 1997, he will retire with over 21 years of dedicated service.

Paul's career with the Boys Clubs began in Chicago over 46 years ago. In his teens, he was headed for a gang fight, when a member of the Chicago Boys Club urged him to come to the area club. He started as a games room worker at the former Harper Chicago Boys Club on the south side of Chicago and progressed through many different positions in the Chicago area clubs. He was program director at the Woodlawn Boys Club, unit director at the Lathrop Boys Club on the north side, and unit director at the Valentine Boys Club in the old neighborhood of the late Mayor Richard J. Daley.

Paul received his masters degree in education administration with the help of a Boys Club Scholarship from New York University. He also served in the army in the Korean conflict, married Fran, his wife, and had four sons.

In 1977, when Paul became executive director of the Boys Club of Duluth, the club was floundering and needed strong leadership. The club had less than $500 in the bank, and over $4,000 in unpaid bills. Housed in an old church building, it also needed a new boiler. Through the generous efforts of the United Way of Duluth, Paul secured a new boiler and from then on, changes occurred for the better.

By 1980 the club was changing to have memberships for boys and girls. It took 10 years before the national organization gave the recognition to become the Boys and Girls Clubs of America. Paul's many contributions have included helping to form the Help a Boy and Help A Girl scholarship which has been a very successful program. In 1982, he formed the Mighty-Mites for 4- to 5-year old children, a summer program for working mothers and in 1984, the Summer Fun Bunch for children, ages 6 to 12 years old. In 1985, he started the Operating Endowment Fund which is now the Boys and Girls Club of Duluth Foundation with assets of over $400,000.

One of the highlights of Paul's career came in 1992 when a joint partnership was formed with the Duluth school district at the Lincoln Park School, located just a few blocks from the club. The Lincoln Park neighborhood has a ratio of 70 to 80 percent of single parent families and now has become a youth and family center that serves approximately 800 youth.

It offers community swimming and gym classes for parents and children, and has a computer center for use after school hours for youth and parents, and offers many other youth and family programs. The program at the Lincoln School has been so successful that the existing club will be converted into a full service teen center. Paul's ability to look ahead has helped the club to form a strategic planning committee. One of its goals is to work with the local school district to form more joint ventures at other schools in other areas of the city.

Paul Staudenmaier's contributions over the years are impressive and noteworthy, and it is an honor for me to pay tribute to this remarkable and dedicated man. As family, friends, and colleagues gather to honor Paul on September 13, 1997, I join them in conveying my heartiest congratulations.

It is a privilege for me to join in honoring his distinguished career of service to others. As you celebrate this milestone, all the best on this occasion and I extend my warmest wishes to Paul for a well-deserved retirement, filled with continued good health and happiness.●

IN MEMORY OF COACH JAMES G. LILLY

● Mr. ROCKEFELLER. Mr. President, I rise to take a moment to pay tribute to a very special West Virginian, Coach James G. Lilly of Oak Hill, who recently passed away after coaching the Oak Hill Red Devils for 27 years.

Coach Lilly was a dedicated high school basketball coach and a true humanitarian. He retired in 1989 ranking third on the State's all-time high school winning list, with a career record of 591–291. Coach Lilly led the Oak Hill Red Devils to two class AAA State championships in 1984 and 1989, and his Red Devils were runners-up in the 1969 and 1986 tournaments.

However, there was much more to this three-time coach of the year than just winning basketball games. Jim Lilly tirelessly worked to fulfill many of his players' human needs. He gave generously of himself, looking out for his players in the southern coalfields of West Virginia.

Coach Lilly became a father figure to hundreds of young teens throughout his 38-year career. ''He knew that certain kids needed certain things, a little extra food or maybe an extra dollar . . . he looked out for you and he was very giving . . . my dad died when I was 9 and he was the most pivotal older male in my life,'' said Sam Calloway, a former player and now coach.

He was a man of dignity, a man of class, a man of compassion, and he will be deeply missed by the community and coaching profession. Lilly's dignity was not only displayed through his life, but through his players' lives. In six State tournament appearances, the Oak Hill Red Devils won five sportsmanship trophies in the eighties. ''Sportsmanship was a direct reflection of the coach,'' said Calloway, ''and when we were on the floor, we represented him.''

His contemporaries had an even greater respect for his coaching genius. He was devoted to the game and devoted to the kids he worked with. Coach Lilly demanded a standard of excellence that is unsurpassed in West Virginia's coaching ranks.

Coach James G. Lilly reminded all of us about the importance of sportsmanship. He was dedicated to the game, but more importantly, he was dedicated to the young athletes. His death is certainly a loss to West Virginia. He will long be remembered.●

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 105–15

Mr. WARNER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaty transmitted to the Senate on July 10, 1997, by the President of the United States:

Extradition Treaty with Spain (Treaty Document No. 105–15).

I further ask unanimous consent that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Third Supplementary Extradition Treaty Between the United States of America and the Kingdom of Spain, signed at Madrid on March 12, 1996 (the ''Treaty'').

In addition, I transmit, for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

This Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of both countries. It will thereby make a significant contribution to international law enforcement efforts.

The provisions in this Treaty are consistent with United States extradition policy.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 10, 1997.*

EXECUTIVE SESSION

NOMINATION OF GEORGE JOHN TENET, OF MARYLAND, TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination reported from the Intelligence Committee: George Tenet, to be Director of Central Intelligence.

I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed as follows:

George John Tenet, of Maryland, to be Director of Central Intelligence.

Mr. SHELBY. Mr. President, I am pleased to inform my colleagues that today the Select Committee on Intelligence unanimously voted to favorably report the nomination of Mr. George J. Tenet to be the next Director of Central Intelligence.

Although the committee held hearings in May, shortly after receiving the nomination from the President, the committee postponed final action pending the conclusion of a preliminary investigation by the Department of Justice.

The Attorney General was required to make a determination of whether to recommend the appointment of an independent counsel to investigate allegations involving Mr. Tenet's financial holdings and disclosure.

Today, the committee was officially notified that the Attorney General had concluded that no further investigation was warranted and that she would not seek appointment of an independent counsel.

The Vice Chairman, Senator KERREY, and I promptly convened a meeting of the committee and voted to favorably report the nomination to the full Senate. This prompt action by the committee, once the Justice Department investigation was completed, reflects the strong support Mr. Tenet has among the members of the committee.

Mr. Tenet faces some daunting challenges as he prepares to officially assume the responsibilities of the Director of Central Intelligence.

He must successfully guide the intelligence community toward new and far more difficult missions. He must ensure that the quality and integrity of his people remains high.

He must provide thorough and unbiased analysis to this Nation's policymakers and he must keep, as he has pledged, the Congress fully and currently informed of all intelligence activities.

The latter point is very important, Mr. President, because the intelligence community, and specifically the Central Intelligence Agency, has not enjoyed a great deal of public support in recent years.

It will be Mr. Tenet's responsibility to restore the public confidence in his organization, and he can do that by remaining faithful to the values of this Nation and by ensuring that the people's representatives are kept fully appraised of all the community's activities.

The intelligence community is rich with outstanding Americans, many of whom risk their lives to protect the security of this Nation. These people place a great deal of trust in their leadership and it is up to Mr. Tenet to honor that trust. The committee believes that he will.

Mr. President, it is with pleasure that I recommend, as chairman of the Select Committee on Intelligence, that the Senate unanimously approve the nomination of George John Tenet to the next Director of Central Intelligence.

Mr. KERREY. Mr. President, I rise to urge my colleagues to confirm the President's nominee, George J. Tenet, to be Director of Central Intelligence. He served as Deputy Director from May 1995 until January of this year, he has served as acting Director since that time, and he has already proven to be a highly competent, knowledgeable, capable leader of our Intelligence Community.

As many of my colleagues know, Mr. Tenet's nomination has been before the Intelligence Committee since April. In hearings and in written responses for the record, Mr. Tenet answered all the committee's questions to the Committee's satisfaction. My sense is Mr. Tenet has enjoyed the unanimous support of the Committee since April. However, the Committee chose not to report this nomination to the Senate until completion of an investigation of Mr. Tenet by the Attorney General under the Independent Counsel Reauthorization Act of 1994. The investigation was initiated April 23, 1997, and the completed report of investigation was filed with the United States Court of Appeals for the District of Columbia on July 7, 1997. The Committee has been informed that the Attorney General ''determined that there are no reasonable grounds to believe that further investigation is warranted. She is not seeking the appointment of an independent counsel.'' Having received this report, the Committee voted today to favorably report the nomination. The vote was unanimous.

The Attorney General's investigation was triggered by anomalies in Mr. Tenet's financial reporting statement and biographical questionnaire. In my view these were minor and fully explicable anomalies. Given the high standards set in the Independent Counsel Act, the fact that the investigation has been closed without the appointment of an

independent counsel suggests to me that the Attorney General shares my assessment did nothing wrong.

The necessity for the investigation created an unfortunate delay, as well as a burden for Mr. Tenet and members of his family. The delay caused by the investigation did not, from what I have seen, create a vacuum in leadership at the CIA. Even as the Acting Director, Mr. Tenet has provided steady direction to the Intelligence Community. Nonetheless, there is no substitute in government for the authority that comes with Senate confirmation, so I am most pleased the nomination can move forward and Mr. Tenet can be fully empowered.

As Chairman SHELBY and I told our colleagues during the recent debate on the Intelligence Authorization bill, the end of the Cold War did by no means mark a diminution in the importance of intelligence to our national security. Sound policy and sound strategy are illuminated by sound intelligence, by the sometimes small amount of secret information that gives full meaning to the masses of freely available information. As technology continues in its revolutionary cycles, victory in war is more than ever the result of the linkage of American valor with American intelligence and American precision weapons. So intelligence continues to be essential to our survival and our ability to lead in the world. One of Mr. Tenet's many tasks will be to convince the public that intelligence still matters, and that the public can count on the integrity, patriotism, and morality of those who serve the nation in the Intelligence Community. Mr. Tenet is well suited for this task—he is a highly effective communicator.

Another task for Mr. Tenet will be to lead those who are serving. The CIA and the other intelligence agencies include people who take risks for our country, as well as some of the smartest and most skilled analysts, scientists, and technicians in the country. They deserve leadership that fully challenges their talents, rewards their successes, maintains an environment of high integrity, enforces accountability, and adds to their pride in their profession. They also deserve leadership that will remain with them long enough to really make a difference. I believe George Tenet will provide that leadership, and I urge his confirmation.

Mr. WARNER. Mr. President, I am going to pause a minute to speak about this nomination. I was privileged to serve for 8 years on the Intelligence Committee, the last 2 years being the vice chairman. During that period of time, Mr. Tenet was one of the senior staff members on the committee. I gained a firsthand knowledge of this individual, not only of his professional capabilities, which are superb, but his character and his judgment.

I commend the President and all those who have worked to see that this fine American takes on this very, very important responsibility. I have confidence in him, and I am confident that he will represent our country very ably in this important post. I wish him, his lovely wife and his family well.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR FRIDAY, JULY 11, 1997

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. on Friday, July 11. I further ask unanimous consent that on Friday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate immediately resume consideration of S. 936, the defense authorization bill, and the Senate immediately proceed to a Feingold amendment under a previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. WARNER. Mr. President, tomorrow morning the Senate will resume consideration of the defense authorization bill and, at 9:45 a.m., proceed to a vote regarding the Bingaman amendment, re: space-based lasers. Following that vote, the Senate will resume consideration of the remaining amendments. Therefore, votes can be expected to occur throughout the day, up to and including final passage of the defense authorization bill.

I know the leader and, indeed, I am sure my distinguished ranking member, Senator LEVIN, and Senator DASCHLE, both leaders, are anxious to finish this bill by noon tomorrow. I am confident that Senator THURMOND will be here—he usually is—bright and early to start the day at 9 o'clock.

There is not a recitation of what is to happen between 9 and 9:30. Do you recall specifically? I think it would be helpful.

Mr. LEVIN. My understanding, from Senator FEINGOLD who has firsthand knowledge, is that from 9 to 9:30, the time is divided on the Feingold amendment: 20 minutes to Senator FEINGOLD; 10 minutes to Senator THURMOND.

Mr. FEINGOLD. Mr. President, that is correct.

Mr. WARNER. Fine. Mr. President, is that the amendment that has been the subject of discussion this evening?

Mr. FEINGOLD. No, that is a sense-of-the-Senate amendment concerning the Department of Defense jet fighters, a different matter.

Mr. WARNER. So that would be between the hours of 9 and 9:30, and then we will proceed as the order has been recited.

Mr. FEINGOLD. Correct.

Mr. WARNER. Mr. President, I thank the Senator from Wisconsin for his cooperation tonight and for his very strong debate. I regret I can't join him on this.

I thank my good friend and colleague, as always. We have been together on many missions. I thank staff, the Senate and the Presiding Officer.

ADJOURNMENT UNTIL TOMORROW AT 9 A.M.

Mr. WARNER. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:36 p.m., adjourned until Friday, July 11, 1997, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 10, 1997:

DEPARTMENT OF COMMERCE

TERRY D. GARCIA, OF CALIFORNIA, TO BE ASSISTANT SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE, VICE DOUGLAS KENT HALL.

DEPARTMENT OF THE INTERIOR

KATHLEEN M. KARPAN, OF WYOMING, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, VICE ROBERT JAY URAM, RESIGNED.

CONFIRMATION

Executive nomination confirmed by the Senate July 10, 1997:

CENTRAL INTELLIGENCE

GEORGE JOHN TENET, OF MARYLAND, TO BE DIRECTOR OF CENTRAL INTELLIGENCE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.